



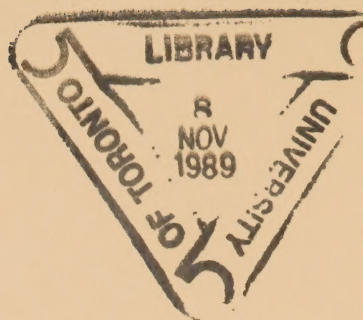
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**Ontario
Council on
University
Affairs**

**Eighth
Annual
Report**



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Ontario Council on University Affairs

Eighth Annual Report March 1, 1981 to February 28, 1982

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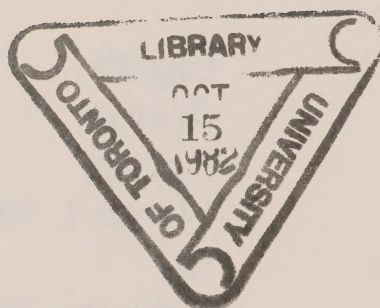


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Letter of Transmittal



Ontario
Council on
University
Affairs

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7th Floor
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February 28th, 1982

The Honourable Bette Stephenson, M.D.,
Minister of Education/Colleges and
Universities
2nd Floor, Mowat Block,
Queen's Park,
Toronto, Ontario.

Dear Dr. Stephenson,

I respectfully submit the Eighth Annual Report of the Ontario Council on University Affairs, which covers the period from March 1st, 1981 to February 28th, 1982.

Since the transmission of this report marks the end of my term, I wish to thank you, your predecessor and the officials of your Ministry for the assistance provided and the courtesy shown to me during my five years as Chairman.

Also, I would like to express my appreciation to all those members of the University community who helped me, almost on a daily basis, by providing data and advice in response to our many requests.

Finally, it has been a great privilege to serve with the members and staff of Council. Their support and friendship never failed during both the good and the difficult periods.

Yours sincerely,

A handwritten signature in dark ink, reading "W. C. Winegard".

W. C. Winegard
Chairman

Members and Officers of the Ontario Council on University Affairs 1981-82

Rt. Rev. Walter Bagnall (1982)
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Margaret Hamilton (1982)
Toronto

Jill Harris (1983)
Westport

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Denfield

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Georgetown

Patrick Beard
Research Officer

Eleanor M. Harrison
Research Officer

Brian O'Riordan
Research Officer

J. Paul Stenton
Research Officer

Susan Pape
Administrative Assistant

Introduction

Introduction

The Eighth Annual Report of the Ontario Council on University Affairs covers the period March 1st, 1981 to February 28th, 1982 and contains the full text of all Advisory Memoranda issued during the year. In addition, the present report contains the text of a paper released by Council in January 1982: "A Financial Analysis of the Ontario University System - 1981". As usual, the report also contains a list of the public meetings of Council for the year and the response of Government to the recommendations made by Council.

**A Financial Analysis of the Ontario
University System - 1981**

This paper updates and modifies some of the financial indicators found in Council's previous financial papers, which examined the degree of underfunding experienced by Ontario universities and its impact upon the system.

Since Council's funding advice was last accepted by Government in 1977-78, the universities have received annual operating grant increases of 5.8%, 5.1%, 7.2% and 10.1%. Other areas of Government expenditures have also received small funding increases in recent years. In a period of financial austerity, when the Government is attempting to control its expenditures in order to balance its budget, the constraints accompanying this policy might be expected to affect all Government functions and services. However, over the period in which Council's funding advice has not been accepted, the universities experienced funding rate increases consistently below that of overall Government budgetary expenditures. In fact, over these four years, annual university operating grant increases averaged 2.6% below the annual increases in Government budgetary expenditures (excluding debt servicing) which for the four years were 6.7%, 9.9%, 9.4% and 12.5%. At the same time, while the universities have received a declining share of Government expenditures, it appears that Government's expectations of the university system have not diminished.

Neither the increases in university funding nor Government expenditures generally have kept pace with inflation over the period 1978-79 to 1981-82. When deflated by the Consumer Price Index, university operating grants will have declined in real terms by 12% to 13% by the end of this four year period, while Government budgetary expenditures will have declined by 4% to 5%.

This paper begins by comparing, in Sections A and B respectively, the Ontario university system's Government support and total revenue with that found in other provincial university systems and in the Ontario elementary and secondary school system. Data presented in these sections indicate that the Government funding and revenue positions of Ontario universities compare unfavourably with these other sectors of activity. The next section (Section C) points out that fluctuations in total enrolment, along with shifts in enrolment among disciplines, have made it difficult for Ontario universities to adjust to financial constraints.

The paper then goes on to examine the impact of these financial constraints on key components of expenditure in Ontario universities. Specifically, Section D examines the impact on faculty and staff resources and Sections E and F outline the effects on equipment, furniture expenditures and library acquisitions. These sections point out respectively that faculty and staff salaries have not kept pace with salaries in certain sectors of the economy and that expenditures on equipment, furniture and library acquisitions have declined substantially in real terms in recent years.

Section G indicates that provincial funding constraints on capital assistance have been even more restrictive than those for operating grants. Comparisons of the present allocative formula and hypothetical alternatives are presented in Section H. The effects on each institution of using a completely enrolment sensitive allocative formula, or moving to the other extreme - an enrolment insensitive formula, are examined. Finally, Section I provides a few comments on research funding, noting that there are some encouraging signs in this area.

(A) Interprovincial Comparisons

In recent years, restraint in the growth of Government expenditures and in university funding have not been confined to Ontario. Restraint has been the declared policy of all provincial governments at one time or another during the past few years. Despite the apparent uniformity in declared fiscal policy, the application varies considerably, particularly with respect to university funding. As pointed out in *System on the Brink* (September 1979) and in *A Financial Analysis of the Ontario University System - 1980* (September 1980) the funding constraints faced by Ontario universities have been more stringent than those faced by universities in most other Canadian provinces. Revised and updated data confirm this observation.¹

Table 1 of the Appendix provides some indication of the stringency in Government funding experienced by Ontario universities. The table presents the provincial operating grants per full-time equivalent (FTE) student for each province in Canada, along with the weighted average of the nine provinces excluding Ontario, for the period 1974-75 to 1979-80. Ontario declined in rank over this period from seventh to ninth, with only Nova Scotia being lower at the end of the period. Ontario's position, relative to other regions in Canada (Western provinces, Quebec and Atlantic provinces) and to the weighted average of the other nine provinces, is illustrated graphically in Figure 1. The figure indicates that relative to the other provinces, Ontario's Government support, as measured in terms of operating grants per FTE student, was low at the beginning of the period examined and declined further in subsequent years.

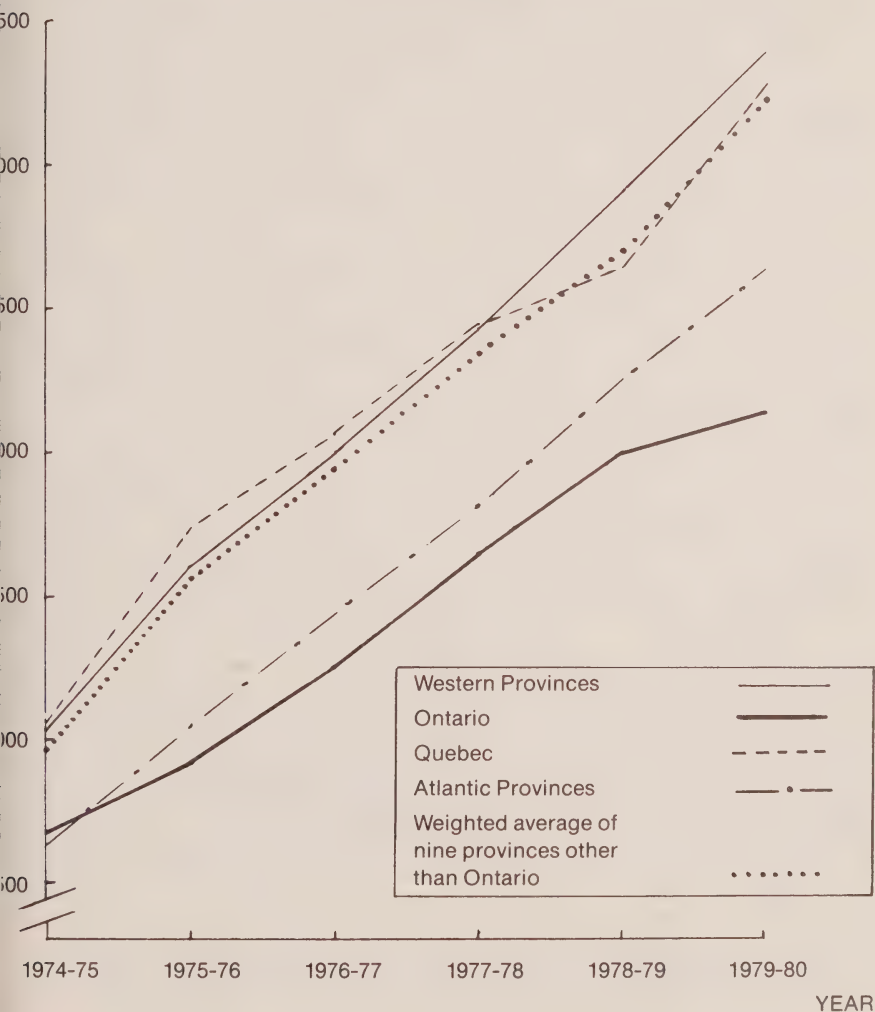
The Ontario university system's comparatively low level of Government support has had a direct influence on the level of operating income in Ontario universities. Table 2 of the Appendix presents the total operating income per FTE student for each province over the same period, 1974-75 to 1979-80. It indicates that, over this period, Ontario dropped from sixth to ninth place among all provinces in total operating income per FTE student. A Figure 2 indicates, at the end of the period examined, in terms of operating income per FTE student, Ontario universities were behind Quebec, the Western provinces, the Atlantic provinces and the weighted average of all provinces excluding Ontario.

More recent information suggests that, since 1979-80, the financial position of Ontario universities, relative to universities located in other provinces, has declined further. Table 3 of the Appendix documents the changes in Government grants, fees and enrolment for each province for 1980-81 and estimated for 1981-82. Over this two-year period, Ontario grant increases are among the smallest percentage increases made available.

(1) As has been the case in its previous financial papers, Council is again relying upon the Tripartite Committee on Interprovincial Comparisons for its data. The Committee's data base has been revised since last year, making it more accurate and the data more comparable among provinces. As a result, however, the data presented do not correspond precisely to those presented in previous years.

Figure 1

**Interprovincial Comparison of University Grants:
Provincial Operating Grants per FTE Student,
1974-75 to 1979-80**

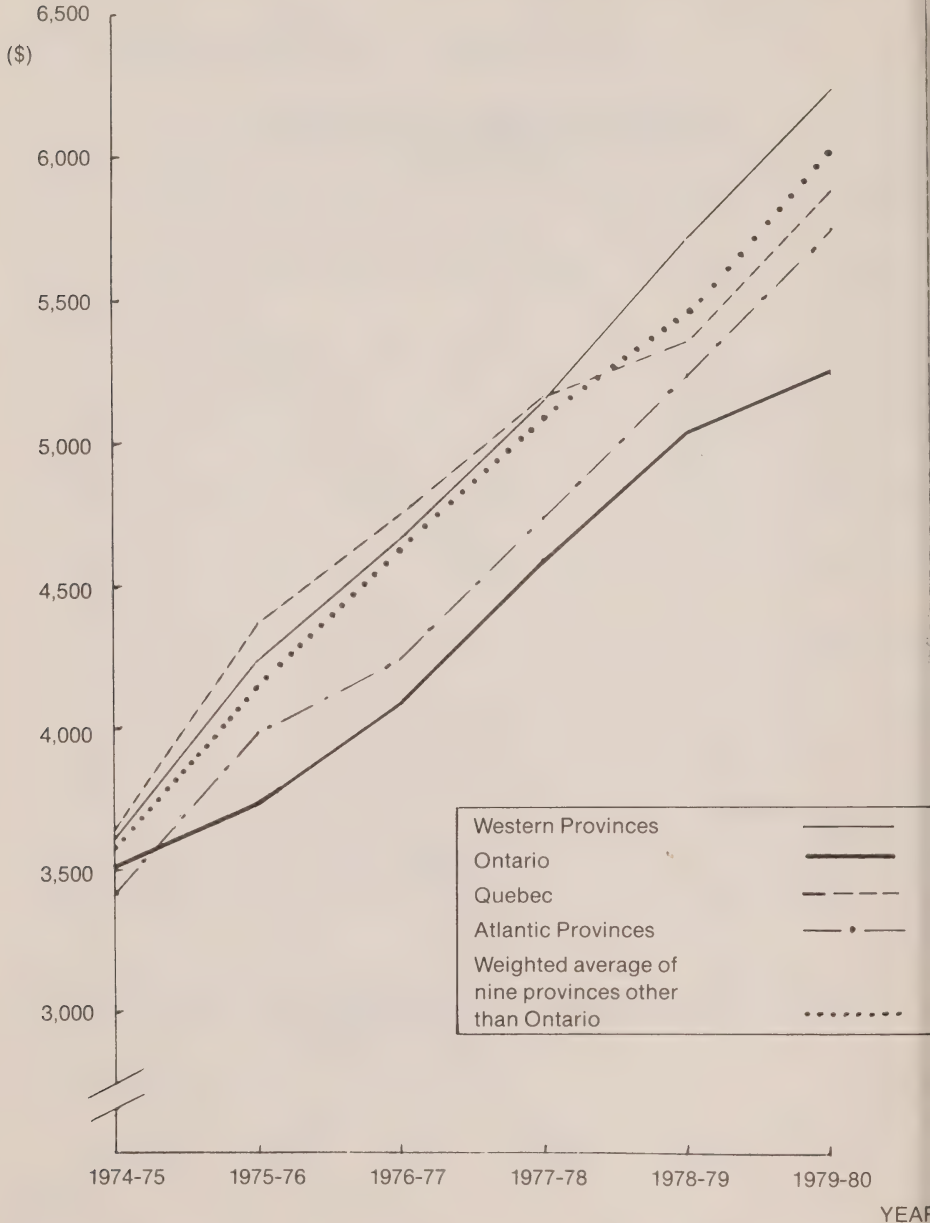


Note: In order for Ontario universities to have been funded at the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1979-80, the Government of Ontario would have had to increase its operating grants by over \$197 million in that year alone.

Source: Table 1 of Appendix.

Figure 2

**Interprovincial Comparison of University Revenue:
Total Operating Income per FTE Student,
1974-75 to 1979-80**



Note: In order for Ontario universities to have received the same level of operating income per FTE student as the weighted average of the other nine provinces in Canada in 1979-80, the operating income of Ontario universities would have had to be over \$136 million higher in that year alone.

Source: Table 2 of Appendix.

(B) Intraprovincial Comparisons

The present analysis updates that undertaken in a *A Financial Analysis of the Ontario University System - 1980*, which found that the level of provincial funding per student in Ontario elementary and secondary schools increased substantially in real terms between 1970-71 and 1979-80, while university funding per student declined during the same period. Table 4 of the Appendix, and Figure 3, present indexes of provincial grants per student for universities and for elementary and secondary schools, measured in constant 1970-71 dollars, over the period 1970-71 to 1980-81. The table shows that in 1980-81, university funding per student continued to decline, while elementary and secondary school funding continued to increase. Over the period, 1970-71 to 1980-81, university operating grants per FTE student declined in real terms by 16.8%, while provincial support per elementary and secondary school pupil increased 50.1% when the provincial contribution to the Teachers' Superannuation Fund² is included in provincial support and by 44.9% when this contribution is excluded.

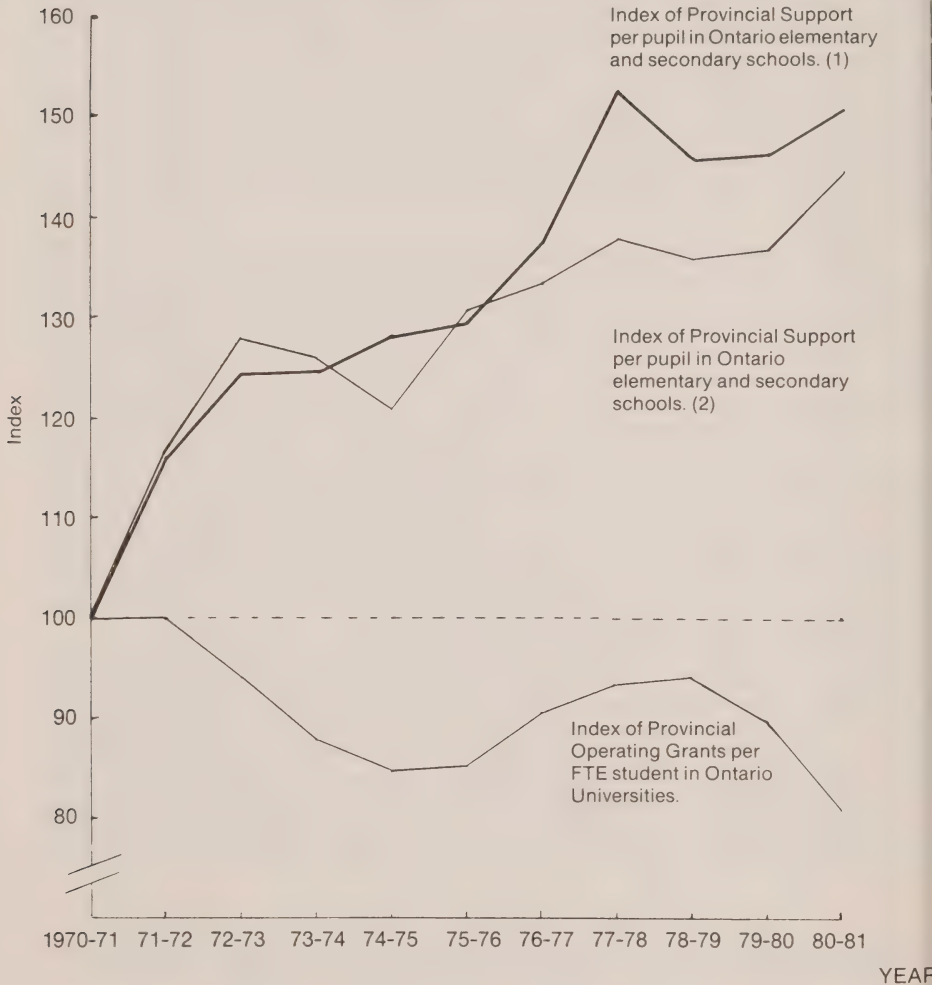
University revenues per student have also declined in real terms since 1970-71, while elementary and secondary school revenues per student have increased. Table 5 of the Appendix, and Figure 4, present indexes of comparable university and elementary and secondary school revenues for the period 1970-71 to 1980-81. The university index uses provincial grants plus tuition fees as a proxy for university revenue, measuring, in constant 1970-71 dollars, the revenues per FTE student received by Ontario universities over this period. The index of elementary and secondary school revenues uses provincial grants plus local tax revenues as a proxy for total revenue. This index measures in real terms provincial grants plus local tax revenues per pupil received by Ontario elementary and secondary schools over the same period. According to these indexes, school revenue per pupil rose 40.4% in real terms between 1970-71 and 1980-81 when the provincial contribution to the Teachers' Superannuation Fund is included and by 37.3% when this contribution is excluded. This compares with a 18.2% decline in university revenue per student during the same period. These trends show no signs of changing. University system revenues per FTE student declined in real terms by 6.3% in 1980-81 over the previous year, while elementary and secondary school revenue per pupil increased by 1.7%.

It would be desirable to include comparable indexes of provincial support per FTE student and revenue per FTE student for the other major education sector in the province, the Colleges of Applied Arts and Technology (CAATs). However, it is not yet possible to compile what Council believes to be the most appropriate comparison data, operating grants allocated to post-secondary programs per FTE post-secondary student or operating revenue accruing to post-secondary programs per post-secondary student in the Colleges of Applied Arts and Technology. Information available on total revenue and Government support for all CAAT programs, including non-post-secondary, adult training and training in business and industry, suggests that on a per FTE student basis the CAATs have not fared well either in recent years.

(2) Whenever the provincial contribution to the Teachers' Superannuation Fund is mentioned in this paper, it includes the provincial contribution on behalf of teachers to the Superannuation Fund and Superannuation Adjustment Benefits.

Figure 3

**Comparison of Provincial Support per Student in Universities
and in Elementary and Secondary Schools in Ontario, 1970-71
to 1980-81 (Constant 1970-71 = 100.0)**



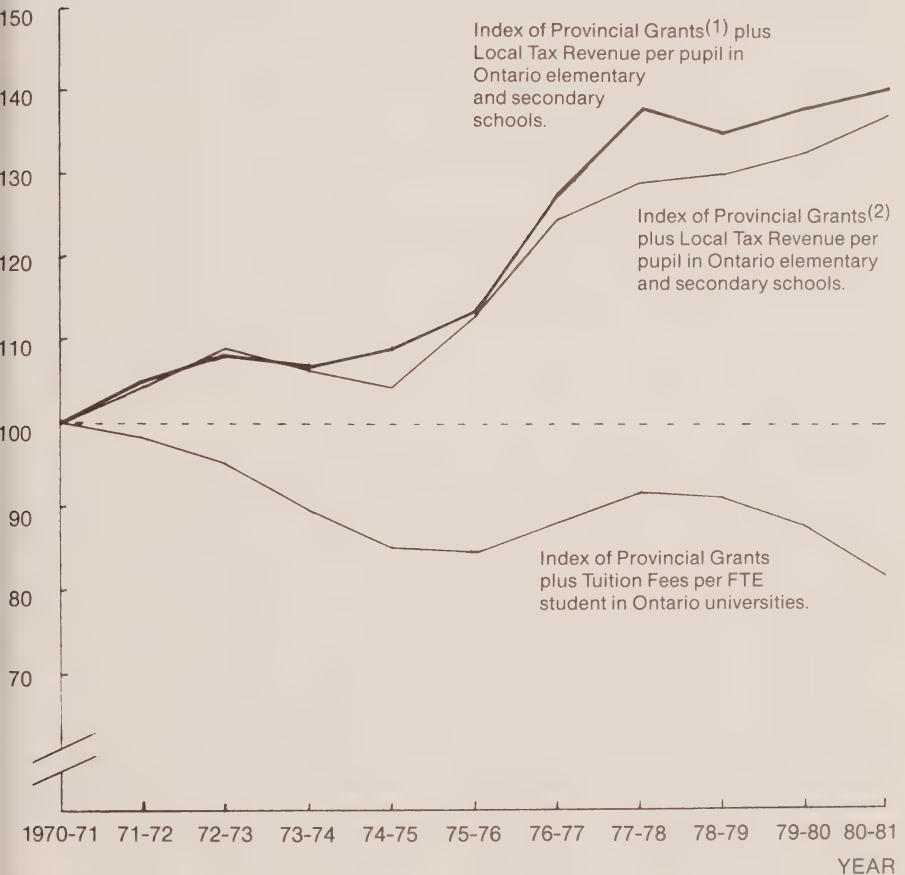
(1) Provincial grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

(2) Provincial grants to schools exclude the provincial contribution to the Teachers' Superannuation Fund.

Source: Table 4 of Appendix.

Figure 4

**Comparison of Revenue per Student in Universities and in
Elementary and Secondary Schools in Ontario,
1970-71 to 1980-81 (Constant \$ 1970-71, 1970-71 = 100.0)**



(1) Provincial grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

(2) Provincial grants to schools exclude the provincial contribution to the Teachers' Superannuation Fund.

Source: Table 5 of Appendix.

(C) Enrolment Trends

From 1970-71 to 1980-81, total university system FTE enrolment increased by over 30%. The enrolment changes experienced by the universities during this period did not, however, follow general demographic trends, which suggested annual increases until 1983. Enrolment did increase annually from 1970-71 until 1976-77, when it peaked at a level about 37% above the level found in 1970-71. In the following two years, however, enrolment declined unexpectedly by over 6%, but since then has increased annually and, in 1981-82, is expected to exceed the peak experienced in 1976-77. In 1980-81, there were 154,820 full-time students and 34,462 part-time FTE students enrolled in Ontario universities and their affiliated colleges, Ryerson Polytechnical Institute and the Ontario Institute for Studies in Education, resulting in total FTE enrolment of 189,282.³ The final report of The Committee on the Future Role of Universities in Ontario points out that the 18 to 24 age group, from which Ontario universities currently draw 77% of their enrolment, will continue to increase in number until 1983. The report goes on to point out that, after declining in the late 1970s, the participation of this group in university education is rising again.

The unpredictable nature of these fluctuations in enrolment and in the participation rate in recent years has made it extremely difficult for universities to undertake the financial planning necessary to adjust to the financial constraints they have experienced. In addition to the fluctuations in total system enrolment, the universities have had to adjust to significant shifts in enrolment among disciplines in recent years. Such shifts in enrolment required reallocation of resources within each university in order to accommodate student demand. These shifts in enrolment along with recent increases in total enrolment have made it difficult for the institutions to cope with the financial constraints by reducing faculty and staff resources.

Figures 5 and 6 illustrate what has happened to full-time undergraduate enrolment in commerce, engineering and in total arts and science for the period 1973-74 to 1980-81. Over this period, full-time undergraduate enrolment increased by 81.5% in commerce and 39.7% in engineering. Full-time undergraduate arts and science enrolment increased substantially from 1973-74 to 1976-77, then declined for the next three years and increased again in 1980-81. This resulted in a 3.8% increase in enrolment over the entire period, 1973-74 to 1980-81. Table 6 of the Appendix provides a breakdown of the university system's undergraduate enrolment in major disciplines and discipline sectors for the same period.⁴ Full-time undergraduate enrolment increased, over the period identified, in all but two discipline sectors - humanities, and agriculture and biological sciences. Increases in full-time enrolment ranged from 13.6% in education to 45.3% in health professions and occupations. Over the same period, part-time undergraduate enrolment increased in all but one sector - general arts and science. Within some sectors, particular disciplines, such as commerce and engineering, experienced much larger full-time or part-time enrolment increases than the sector as a whole. Similarly, the drop in enrolment in some disciplines (such as zoology and history) exceeded that experienced by their sectors. Table 6 also indicates that over the period 1973-74 to 1980-81 there have been significant shifts in the share of total full-time or part-time undergraduate enrolment in particular sectors.⁵

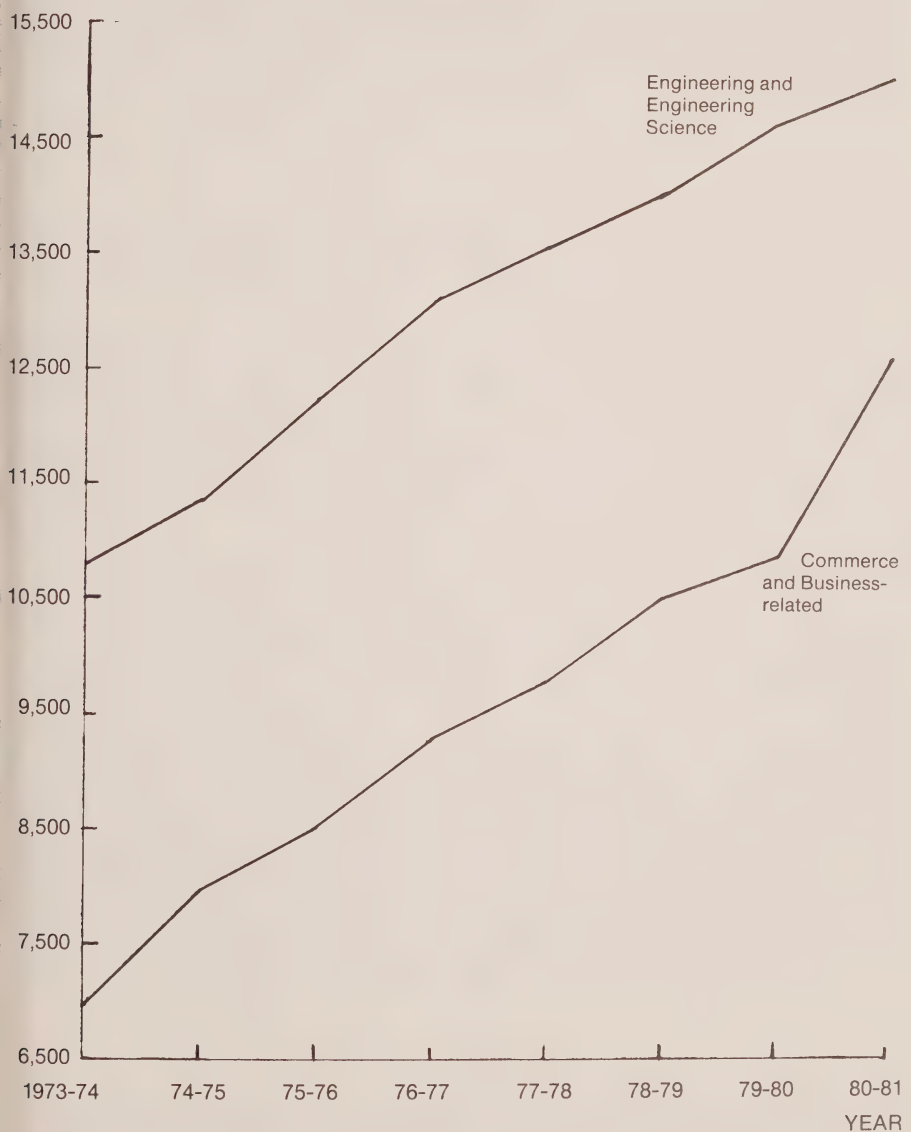
(3) Ministry of Colleges and Universities, *University Audit Reports: Financial Reports*, March 27, 1981, pp. 10-13

(4) These data include enrolment at the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute and the Ontario Institute for Studies in Education.

(5) Students enrolled in the University of Toronto's Faculty of Arts and Science are included under general arts and science in Table 5. The University of Toronto is unable to identify the disciplines in which these students are concentrating or majoring. However, the university has been able to provide Council with the number of full-course equivalents (FCEs) in each department of the Faculty of Arts and Science. These data appear to mirror the enrolment trends identified for the rest of the university system in Table 6 of the Appendix. For example, social sciences' share of total faculty course enrolments increased from 19.7% in 1973-74 to 25.1% in 1980-81, with commerce's share increasing from 3.4% to 6.9% during this period. On the other hand, humanities' share of total faculty FCEs declined from 38.1% in 1973-74 to 31.5% in 1980-81, while life sciences' share dropped from 13.6% to 10.1% over the same period.

Figure 5

**Total Full-Time Undergraduate Enrolment in Commerce and
Business-related and in Engineering and Engineering Science,
1973-74 to 1980-81**

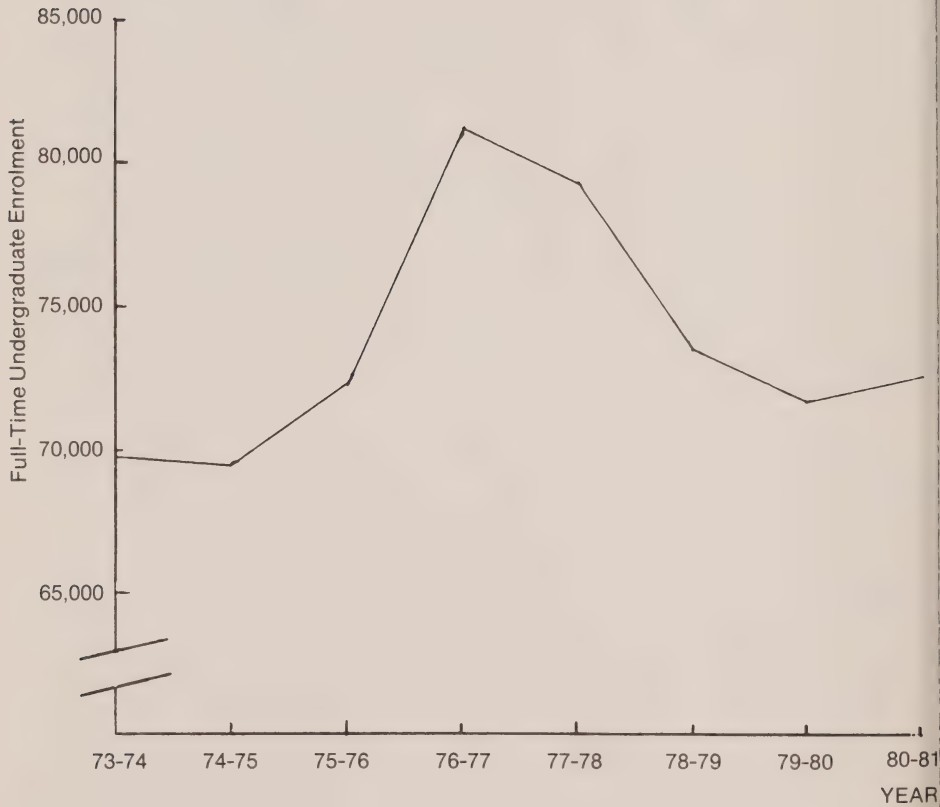


Note: Commerce and Business-related figures do not include Commerce at the University of Toronto. See footnotes 5 of the text.

Source: Table 6 of Appendix.

Figure 6

**Total Full-Time Undergraduate Enrolment in
Arts and Science,
1973-74 to 1980-81**



Note: The discipline sectors included in the enrolment figures are: Humanity; Fine and Applied Arts; Social Sciences; Physical Sciences (excluding Computer Science for the years when separately identified); and Life Sciences, as roughly defined in Appendix "B" of *System Rationalization*. Figures are for the 15 provincially assisted universities and Ryerson.

Source: University Student Information System (USIS) 110100111.

Table 7 of the Appendix provides similar data on graduate enrolment. Unlike undergraduate student numbers, over the period 1973-74 to 1980-81, total full-time graduate enrolment declined. Significant enrolment declines occurred in humanities, health professions and occupations and in mathematics and physical sciences. The remaining sectors had full-time enrolment increases. Part-time enrolment increased in all but one sector - humanities. Surprisingly, disciplines such as zoology and anthropology, which experienced enrolment declines at the undergraduate level, experienced enrolment increases at the graduate level. Finally, the shifts in the share of total enrolment in individual sectors, over the period identified, were more marked at the graduate level than at the undergraduate level.

(D) Faculty and Staff Resources

Data obtained from the Council of Ontario Universities (COU) on the size of faculty complement are found in Table 8 of the Appendix. The number of full-time equivalent faculty positions in Ontario universities declined by 216 or 1.6% over the period 1977-78 to 1980-81. However, in the final year of this period, the faculty complement increased by 6 over the previous year. Over the period, full-time tenure stream positions increased by 30 or 0.2% while full-time limited term positions declined by 121 or 7.4% and FTE part-time declined by 124 or 6.9%. Other data provided by COU suggests that the non-academic staff complement in Ontario universities declined by about 5% over the period 1977-78 to 1980-81.⁶

The Committee on the Future Role of Universities in Ontario pointed out in its final report that compensation levels for Ontario universities' faculty have fallen behind the levels in other related occupations in Canada. The Committee indicated that: "Between 1972-73 and 1979-80, salaries of Ontario university faculty increased by 72.2 per cent. Comparable figures for engineers and research scientists (external to the universities) are 93.2 per cent and 84.2 per cent respectively."⁷ Over the same period, the Consumer Price Index increased by about 85%.

According to Statistics Canada, in 1972-73, Ontario faculty had a higher mean salary than the other three major regions in Canada: the Western provinces, Quebec and the Atlantic provinces. However, by 1976-77, the mean salary of Ontario faculty had fallen below that of the Western provinces and Quebec. In the last year that consistent data were available, 1978-79, the mean salary of Ontario faculty was \$29,463 compared with \$30,120 for the Western provinces, \$32,683 for Quebec and \$24,723 for Atlantic provinces.

As Council noted in *A Financial Analysis of the Ontario University System - 1980*, the Conference Board in Canada's study *Compensation in Canada: A Study of the Private and Public Sectors* found that wages and salaries for non-academic positions in universities in 1978 were at the low end of the public and private sectors included in the study. There appears to have been no change in this situation.

(6) Data were not available over the entire time period for Lakehead and York.

(7) CFRUO, *Report*, August 1981, p. 40.

(E) Equipment and Furniture Expenditures

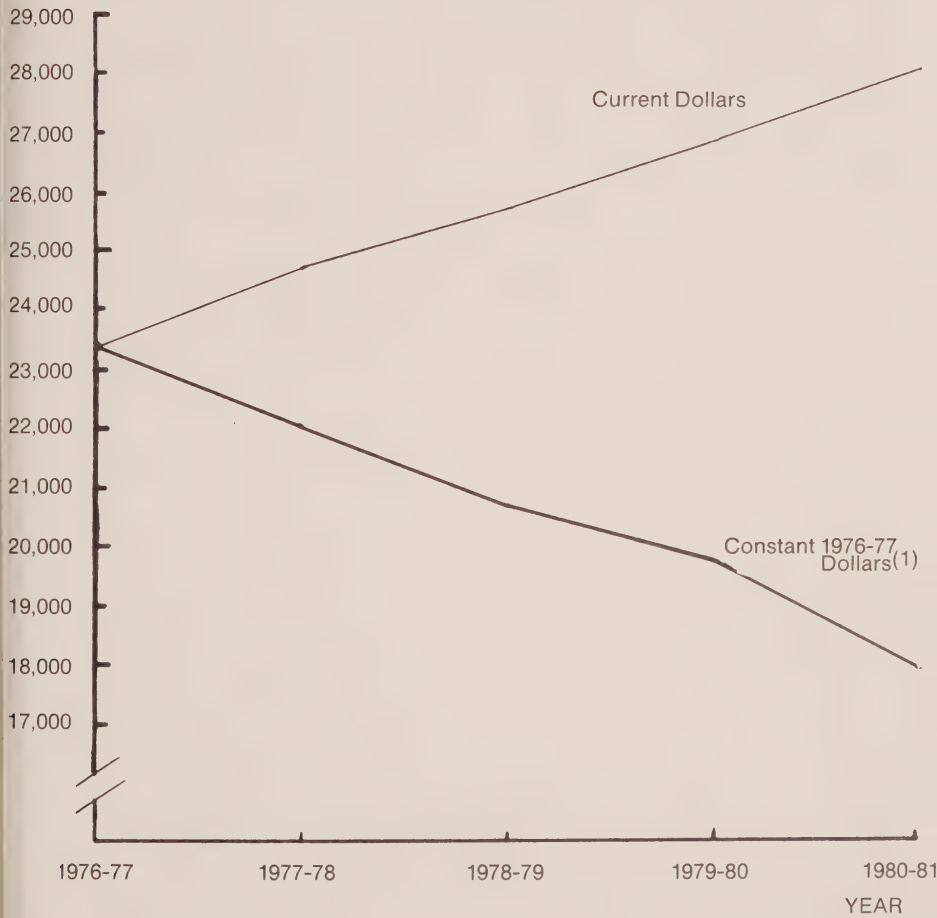
Council pointed out in *A Financial Analysis of the Ontario University System - 1980* that in recent years the universities have responded to constraint by curtailing non-salary expenditures, such as those involving equipment and furniture. This trend continued in 1980-81. Table 9 of the Appendix contains data, for individual institutions and for the system as a whole, on the actual expenditures on equipment and furniture for the years 1976-77 to 1979-80 and the anticipated final expenditures on these items for 1980-81.⁸

Figure 7 is derived from Table 9 of the Appendix. It illustrates graphically what has happened to these expenditures on a system-wide basis, over the period 1976-77 to 1980-81, in both current and constant 1976-77 dollars. The constant dollar expenditures for 1977-78, 1978-79 and 1979-80 are deflated by the equipment and furniture component of the Ontario University Non-Salary Price Index (OUNSPI). Over the period 1976-77 to 1979-80 equipment and furniture expenditures increased by 12.4%, while the equipment and furniture component of OUNSPI increased by 36.7%, implying that the value of equipment and furniture declined significantly in real terms. The 1980-81 constant dollar figure shown in Table 9 of the Appendix was deflated by Council's estimate of the change in the total OUNSPI for that year. This figure indicates that equipment and furniture expenditures continue to decline in real terms.

(8) It should be noted that over 80% of expenditures on equipment and furniture are devoted to equipment expenditures, including computer costs.

Figure 7

**Equipment and Furniture Expenditures
from Operating Income,
1976-77 to 1980-81**



(1) The 1977-78, 1978-79 and 1979-80 constant dollar figures were deflated by the equipment and furniture component of the Ontario University Non-Salary Price Index. The 1980-81 figure is deflated by Council's estimate of the change in the total OUNSPI for 1980-81.

Source: Table 9 of the Appendix.

(F) Library Books and Periodicals

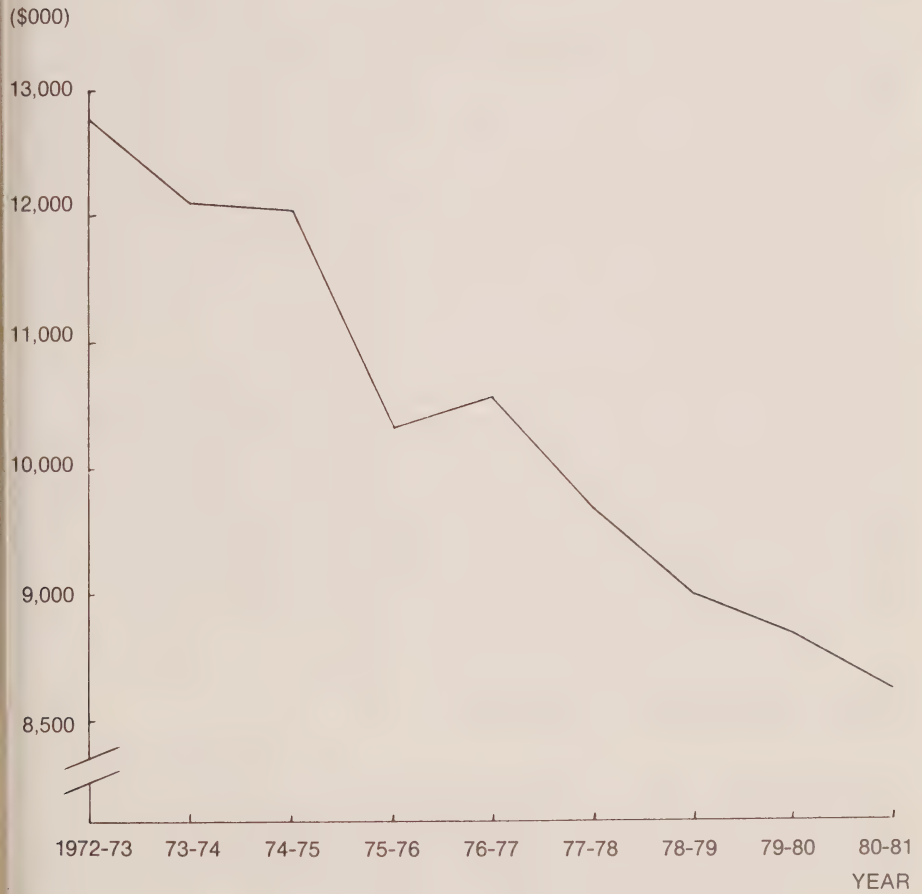
Another area of non-salary expenditures the universities have curtailed in recent years is the acquisition of library books and periodicals. Table 10 of the Appendix outlines the expenditures on library acquisitions for individual institutions and for the system, measured in constant 1972-73 dollars.⁹ Over the period 1972-73 to 1980-81, the total value of library acquisitions for Ontario universities declined by over 34% when measured in constant dollars. This decline is illustrated graphically in Figure 8.

It was pointed out in *A Financial Analysis of the Ontario University System - 1980* that the decline in library acquisitions, since 1972-73, was attributable not only to the pressures of general financial constraints, but also to exceptional increases in the prices of books and periodicals. During the period 1972-73 to 1980-81, library acquisition expenditures increased by about 85%, while over the same period monograph and periodical prices increased by about 155% and 230% respectively. This resulted in a real decline in library expenditures of 35%. It appears that the institutions have dealt with the dramatic increase in the cost of maintaining periodical subscriptions by shifting more and more financial resources towards the acquisition of periodicals and away from the purchase of monographs. In 1972-73, Ontario universities allocated only 37% of their library acquisitions expenditures towards periodicals, with the remaining 63% being spent on book purchases. By 1979-80, Ontario institutions allocated 53% of their acquisitions expenditures towards the purchase of periodicals and only 47% towards the acquisition of monographs. Consequently, there has been a substantial reduction in the number of monographs acquired annually.

(9) The price deflator used to calculate constant dollar values for 1972-73 to 1979-80 was the books and periodicals component of the Ontario University Non-Salary Price Index. The remaining year of data was deflated by a books and periodicals inflation estimate provided by Queen's University at Council's request.

Figure 8

**Expenditures on Library Acquisitions from Operating Income,
1972-73 to 1980-81.
(\$000 constant 1972-73)**



Note: See footnote 9 of the text

Source: Table 10 of the Appendix.

(G) Capital Funding

The Government of Ontario, over the decades, has made a major investment in the Ontario university system. The size of this investment is illustrated in Table 11 of the Appendix. This table indicates that over a billion dollars has been invested since 1944, through capital grants and debentures, and that over 80% of this investment occurred during the period 1964-65 to 1973-74 when the physical plant of the university system underwent a major expansion. Since that period, there has been little or no capital expansion and increasingly restricted capital funding for repairs, renovations and replacement projects.

In recent years, the constraints on capital funding have been even more severe than those imposed on operating support. Table 12 of the Appendix outlines the capital grants made available to the universities and Council's recommendations since 1976-77. In its advice to Government, Council has consistently selected a level of 1% of the replacement value of the space inventory of the universities as the minimum needed annually for new major repairs, renovations and replacement projects (excluding any amounts necessitated by carry-overs) in order to maintain the existing capital investment.¹⁰ As Table 12 indicates, Government funding for "new starts" of major repairs, renovations and replacement projects has fallen well short of the recommendations generated by this factor. For 1981-82, for example, Council recommended \$21.2 million be provided for these purposes, but only \$6.3 million have been made available by Government. Over the period in which Council has provided capital funding recommendations (1976-77 to 1981-82), Government support has fallen \$68.7 million short of Council's total recommendations.

Council's capital recommendations pertain to new major repairs, renovations and replacement projects. As Table 12 indicates, over the past few years, the majority of Government capital support has not been directed towards these projects. Instead, most Government capital support has been directed towards the continued funding (carry-over) of existing major repairs, renovations and replacement projects, carry-over cost of projects involving the construction of additional space, and support for new projects involving construction of additional space. Table 12 shows that funding of these projects has also become restricted in recent years. In fact, for the past two years, total capital grants, which include grants for both new starts and carry-overs, have not even met Council's recommended allotment for new major repairs, renovations and replacement projects.

(H) Allocative Formula

While the current financial difficulties faced by Ontario universities can be attributed directly to system underfunding, concern has been expressed to Council about the method of distribution of the limited funds available. Most of the Government operating support is allocated among the universities according to an enrolment related formula. Table 13 of the Appendix outlines the formula operating grants allocated annually by this formula to the universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education and the Ontario College of Art, for the years 1977-78 to 1981-82. This table also lists the total formula operating grants received by each institution during the three year "base period", 1974-75 to 1976-77. Although the formula relies on enrolment as the means of determining the allocation of operating grants, the influence that any one year of enrolment has on the grant allocation has been reduced substantially.

(10) See Advisory Memorandum 77-IV for further information on Council's capital recommendations

This has been brought about through the use of the three year moving average and base period enrolments in calculating the number of funding Basic Income Units (BIUs) for each institution.

Over the past few years, it has been suggested to Council that the operating grants formula in its present form is either too sensitive or, conversely, too insensitive to enrolment. Tables 14 and 15 of the Appendix attempt to provide comparisons of the existing allocative mechanism with two extremes: a completely enrolment driven mechanism based on "slip-year" enrolments, and a completely enrolment insensitive mechanism or "fixed-share" funding mechanism where, annually, each institution receives the same percentage increase in funding.

Table 14 illustrates, for the period 1977-78 to 1981-82, the effects of a "slip-year" or enrolment driven mechanism, documenting the differences between the actual formula grants allocated to each institution and the grants that would have been allocated if each institution had been funded according to the previous year's Basic Operating Income less formula fees. Table 15 illustrates, for the same period, the effects of a "fixed share" or enrolment insensitive funding mechanism, documenting the differences between actual formula grants allocated to each institution and the grants that would have been allocated if the share of total formula grants accruing annually was fixed according to the institution's share of total formula grants during the funding base years (1974-75 to 1976-77).

Predictably, most institutions that would have been benefited under the enrolment driven formula would have lost funds under the fixed share funding scheme, or vice versa. For example, the University of Western Ontario would have gained an extra \$8.7 million under the fixed share or enrolment insensitive funding mechanism over the period examined. Under the "slip-year" or enrolment driven mechanism, Western would have received over \$3.5 million less than it actually received over this period. However, a few institutions would have either gained or lost under both hypothetical allocative mechanisms. The University of Toronto would have gained an extra \$2.7 million under the enrolment driven mechanism or an extra \$25.5 million under the enrolment insensitive mechanism. Alternatively, the University of Guelph would have lost \$3.8 million and \$0.8 million under the enrolment driven mechanism and enrolment insensitive mechanism, respectively.

It is not Council's intention to use these examples as an endorsement of the present allocative mechanism. They are merely examples of the effects of possible, although extreme, modifications to the allocative mechanism that have been suggested from time to time. However, it is interesting to note that, in contrast with the slip-year enrolment mechanism, the present allocative mechanism's provisions for buffering institutions' funding from the effects of wide fluctuations in enrolment appear to be reasonably effective, stabilizing funding from year to year.

(I) Research

In previous financial papers, Council expressed a number of concerns about the impact of underfunding on university research. These concerns remain, but they will not be reiterated at this time. However, some developments have occurred in the past year that should be noted.

The national granting agencies, the National Sciences and Engineering Research Council (NSERC), the Medical Research Council (MRC) and the Social Sciences and Humanities Research Council (SSHRC) received budget increases of 23.9%, 22.3% and 9.4% respectively for 1981-82. Since its inception in 1978, NSERC's budget has more than doubled to its present level of \$201.4 million. MRC's budget has grown to a level of \$100.2 million and SSHRC's budget now stands at \$45.6 million.

Council noted in *A Financial Analysis of the Ontario University System - 1980* that NSERC had begun a program of University Research Fellowships aimed at expanding career opportunities in research in the natural sciences and engineering. This program has continued in 1981-82, with up to 75 new fellowships being granted at a value of \$25,800 each.

Council is encouraged by the Government of Ontario's planned initiatives to affect positively the research undertaken by government, business and industry, and the universities in the province. In *Building Ontario in the 1980's*, Government stated that under the Board of Industrial Leadership and Development (BILD) program "additional funding will be provided to purchase modern research equipment for engineering and science in Ontario universities". It also stated that "a research grant incentive program will be established to provide additional funds to university researchers receiving new or expanded research contracts from industry or governments". Finally, Council notes that the IDEA Corporation (Innovation Development of Employment Advancement) will be asked to promote coordination of provincial research and development activities among the universities, industry and Government. In this regard, however, Council shares the concerns expressed by the Committee on the Future Role of Universities in Ontario that:

Independent initiatives on the part of the IDEA Corporation could risk distorting university missions.

OCUA should be informed of, and be free to comment on, the initiatives proposed by BILD or the IDEA Corporation which affect the universities so that such initiatives can be coordinated with the responsibilities of MCU and the advice of OCUA.¹¹

Summary

Since Council's advice was last accepted in 1977-78, the universities have received annual operating grant increases of 5.8%, 5.1%, 7.2% and 10.1%. Government budgetary expenditures (excluding debt servicing) experienced annual increases of 6.7%, 9.9%, 9.4% and 12.5% for the same four years, 1978-79 to 1981-82. These figures indicate that the universities have received a declining share of Government expenditures. When deflated by the Consumer Price Index, it is estimated that by the end of the period cited above, university operating grants will have declined in real terms by 12% to 13%, while Government budgetary expenditures will have declined by 4% to 5%.

When compared with universities in other provincial jurisdictions, Ontario universities fared poorly in terms of Government operating support and operating income. In 1974-75, Ontario ranked seventh in operating grants per FTE student and sixth in operating income per FTE student. By 1979-80, Ontario ranked ninth in both categories. In order for Ontario universities to have been funded at the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1979-80, the Government of Ontario would have had to increase its operating grants by over \$197 million in that year alone. (Section A)

Government operating support and revenue received by Ontario universities has lagged behind that received by elementary and secondary schools in the province. Over the period 1970-71 to 1980-81, university operating grants per FTE student and university revenue per FTE student declined in real terms by 17% and 18% respectively. On the other hand, over the same period, elementary and secondary school support per pupil and elementary secondary school revenue per pupil increased in real terms by 50% and 40%

(11) CFRUO, *Report*, August 1981, p. 33

respectively, when the provincial contribution to the Teachers' Superannuation Fund is included and by 45% and 37% respectively, when it is excluded. (*Section B*)

The universities have experienced significant fluctuations in total enrolment and shifts in enrolment among disciplines in recent years. Full-time undergraduate enrolment in commerce and engineering, for example, has increased by 82% and 40% respectively, while full-time undergraduate humanities enrolment declined by 11%. The shifts in enrolment among disciplines in particular, have curtailed the institutions' ability to respond effectively to the financial restrictions the universities have had to face in recent years by creating significant resource allocation problems. (*Section C*)

Salaries and wages of the faculty and staff of the universities have not kept pace with those in other sectors of the economy. The mean salary for faculty in Ontario universities has also lagged behind that of the Western provinces and Quebec. (*Section D*)

The universities have responded to the recent financial constraints by curtailing expenditures on non-salary items such as equipment and furniture and library book and periodical acquisitions. Over the period 1976-77 to 1980-81, equipment and furniture expenditures declined in real terms by about 23%. Over a longer period, 1972-73 to 1980-81, expenditures on library book and periodical acquisitions declined in real terms by about 35%. By the end of this period, only 47% of these expenditures were devoted to the purchase of monographs, compared with 63% at the beginning of the period. (*Sections E and F*)

In recent years, the constraints on capital funding have been even more severe than those imposed on operating support. Over the period in which Council has provided capital funding recommendations (1976-77 to 1981-82), Government support has fallen short of Council's total recommendations by \$68.7 million. (*Section G*)

Although the present allocative mechanism relies on enrolment as the means of determining the allocation of operating grants, the influence of enrolment is modified by the averaging and discounting provisions found in the formula. Not surprisingly, some institutions would have gained if the grant allocation formula were more enrolment sensitive and others would have gained if the allocative mechanism were less enrolment sensitive. (*Section H*)

There have been some developments in the area of research funding in the past year. NSERC, MRC and SSHRC had budget increases of 23.9%, 22.3% and 9.4% respectively for 1981-82. Under the BILD program additional funding is expected to be available for the purchase of modern research equipment for engineering and sciences in Ontario universities. (*Section I*)

APPENDIX

TABLE 1

**Interprovincial Comparison of University Grants:
Provincial Operating Grants per FTE Student, 1974-75 to 1979-80**

	1974-75 \$	Rank	1975-76 \$	Rank	1976-77 \$	Rank	1977-78 \$	Rank	1978-79 \$	Rank	1979-80 \$	Rank
British Columbia	3,029	4	3,577	4	4,049	4	4,521	3	5,025	3	5,479	3
Alberta	3,345	1	4,053	1	4,358	1	4,797	1	5,358	2	5,830	2
Saskatchewan	2,977	5	3,410	5	3,767	5	4,107	5	4,590	5	5,096	5
Manitoba	2,594	8	3,016	6	3,453	6	3,874	7	4,123	7	4,677	7
Quebec	3,057	3	3,750	3	4,079	3	4,449	4	4,657	4	5,299	4
New Brunswick	2,704	6	3,003	7	3,445	7	3,905	6	4,364	6	4,762	6
Nova Scotia	2,431	9	2,836	9	3,233	9	3,497	9	3,819	9	4,074	10
P.E.I.	2,414	10	2,589	10	2,974	10	3,030	10	3,544	10	4,246	8
Newfoundland	3,079	2	3,809	2	4,157	2	4,625	2	5,485	1	5,994	1
Weighted average for 9 provinces other than Ontario	2,983		3,577		3,950		4,347		4,706		5,249	
Ontario	2,690	7	2,913	8	3,265	8	3,669	8	4,002	8	4,140	9
Canada	2,871		3,322		3,687		4,097		4,456		4,851	

Source: Third Report of the Tripartite Committee on Interprovincial Comparisons, December 1981, p. 8.

TABLE 2

**Interprovincial Comparison of University Revenue:
Total Operating Income per FTE Student, 1974-75 to 1979-80**

	1974-75 \$	1974-75 Rank	1975-76 \$	1975-76 Rank	1976-77 \$	1976-77 Rank	1977-78 \$	1977-78 Rank	1978-79 \$	1978-79 Rank	1979-80 \$	1979-80 Rank
British Columbia	3,682	4	4,312	4	4,871	2	5,344	3	5,886	3	6,241	3
Alberta	3,839	2	4,525	2	4,839	3	5,371	2	6,024	2	6,613	2
Saskatchewan	3,692	3	4,238	5	4,609	5	5,049	5	5,662	5	6,232	4
Manitoba	3,030	10	3,579	9	3,996	8	4,441	8	4,780	9	5,422	7
Quebec	3,643	5	4,373	3	4,743	4	5,165	4	5,347	4	5,890	5
New Brunswick	3,322	7	3,664	8	4,085	7	4,582	7	4,830	8	5,690	6
Nova Scotia	3,303	8	3,850	6	3,934	9	4,300	9	4,930	7	5,257	8
P.E.I.	3,219	9	3,360	10	3,394	10	3,256	10	4,418	10	4,973	10
Newfoundland	3,844	1	4,930	1	5,438	1	6,344	1	6,821	1	7,222	1
Weighted average for 9 provinces other than Ontario	3,592		4,251		4,634		5,094		5,476		6,002	
Ontario	3,502	6	3,714	7	4,094	6	4,594	6	5,038	6	5,239	9
Canada	3,558		4,045		4,426		4,910		5,320		5,729	

TABLE 3

Interprovincial Comparisons, 1980-81 and 1981-82

	% Increase in Grants		% Increase in Fee Rates ¹		% Change in FTE Enrolment ²	
	1980-81	1981-82	1980-81	1981-82	1980-81	1981-82
British Columbia	9.3	14.9	8.3-10.0	13.0-14.0	3.0	5.8
Alberta	12.0	17.1	10.0	0.0	0.0	9.0
Saskatchewan	8.5	12.0	5.3-8.3	7.0-10.0	2.4	8.0
Manitoba	8.3	13.8	7.9	8.9-10.5	1.9	4.0
Ontario	7.2	10.1	7.5-18.3 ³	10.0-21.0 ³	3.5	4.5
Quebec	13.9	6.7	0.0	0.0	2.8	2.5
New Brunswick	7.9	10.2	7.6	10.0-12.0	4.4	3.0 to 4.0
Nova Scotia	11.7	12.4	7.4	10.0-12.0	2.7	3.5
P.E.I.	7.9	9.7	9.5	10.0-12.0	-2.9	1.4
Newfoundland	10.0	8.9	0.0	10.0	0.4	N.A.

(1) Fee increases may differ among institutions and programs within institutions. When no range of increases is provided, the figure represents a rough average of fee increases across the province.

(2) Enrolment changes for 1981-82 are estimates.

(3) Comprised a formula fee rate increase of 7.5% in 1980-81 and 10.0% in 1981-82 and a discretionary fee rate increase of up to 10% of the formula fee rate.

TABLE 4

**Comparison of Provincial Support per Student in University and
in Elementary and Secondary Schools in Ontario in Constant
1970-71 Dollars, 1970-71 = 100.00, 1970-71 to 1980-81**

	Index of Provincial Operating Grants per FTE University Student	Index of Provincial Support per Elementary and Secondary Pupil ¹	Index of Provincial Support per pupil, excluding Teachers' Superannuation
1970-71	100.0	100.0	100.0
1971-72	100.0	116.3	116.7
1972-73	94.0	124.6	127.8
1973-74	87.9	124.8	126.0
1974-75	84.8	128.0	120.9
1975-76	85.1	129.6	130.7
1976-77	90.6	137.7	133.7
1977-78	93.6	152.1	137.8
1978-79	94.0	145.8	135.9
1979-80	89.6	146.4	136.9
1980-81	83.2	150.1	144.9

(1) Provincial Grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

Note: Indexes are in constant 1970-71 dollars, deflated by the January CPI for each year.

Sources: Ministry of Colleges and Universities
Ministry of Education

TABLE 5

**Comparison of Revenue per Student in Universities and
in Elementary and Secondary Schools in Ontario in Constant
1970-71 Dollars, 1970-71 = 100.00, 1970-71 to 1980-81**

	Index of Provincial Operating Grants Plus Tuition Fees Per FTE University Student	Index of Provincial Grants plus Local Tax Revenue per Elementary and Secondary School Pupil ¹	Index of Provincial Grants plus Local Tax Revenue per Pupil, excluding Teachers' Superannuation
1970-71	100.0	100.0	100.0
1971-72	98.3	105.5	105.3
1972-73	95.6	108.0	108.8
1973-74	89.8	106.9	106.7
1974-75	85.4	109.1	104.6
1975-76	84.3	113.4	113.2
1976-77	88.0	127.4	124.8
1977-78	91.8	137.5	129.5
1978-79	91.3	135.5	130.1
1979-80	87.3	138.0	132.9
1980-81	81.8	140.4	137.3

(1) Provincial Grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

Note: Indexes are in constant 1970-71 dollars, deflated by the January CPI for each year.

Sources: Ministry of Colleges and Universities
Ministry of Education

TABLE 6

Full-Time and Part-Time FTE Undergraduate Enrolment by Discipline Sector, 1973-74 to 1980-81

		1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	% change 1973-74 to 1980-81
		number	% share of total					number	% share of total	
Education	FT	8,433	7.3	9,540	11,035	11,638	10,718	9,187	9,581	6.7
	PT	129	1.1	183	233	239	359	586	2,082 ¹	15.0
Physical Education ²	FT	4,862	4.2	5,302	5,521	5,720	5,632	5,428	5,447	3.8
	PT	39	0.3	71	97	69	75	86	113	0.5
Fine and Applied Arts	FT	4,734	4.1	5,103	5,277	5,516	6,608	6,566	6,542	4.6
	PT	203	1.7	241	271	250	557	628	770	5.5
Humanities & Related	FT	11,130	9.6	11,508	11,668	12,312	11,602	10,255	9,872	7.0
	PT	1,164	9.9	1,285	1,397	1,352	1,430	1,327	1,228	8.9
Social Science and Related	FT	26,638	22.9	28,583	32,525	33,974	34,495	34,675	33,836	25.4
	PT	2,935	24.8	3,124	3,790	3,781	3,677	3,786	3,583	27.8
Commerce and Business ²	FT	6,991	6.0	7,954	8,501	9,324	9,786	10,568	10,839	8.9
	PT	523	4.4	648	833	892	902	1,049	1,115	9.1
Agriculture & Biological Science	FT	8,356	7.2	9,232	9,256	9,430	9,180	8,789	7,934	5.4
	PT	138	1.2	177	205	183	168	162	157	1.1
Engineering & Applied Sciences	FT	12,614	10.8	13,414	14,435	15,566	15,947	16,466	16,941	12.3
	PT	180	1.5	239	287	292	283	312	329	2.6
Engineering & Engineering Sci. ²	FT	10,796	9.3	11,388	12,260	13,195	13,594	14,090	14,710	10.6
	PT	168	1.4	218	257	249	236	258	281	2.2
Health Professions & Occupations	FT	7,118	6.1	7,827	8,275	8,819	9,733	9,892	10,416	7.3
	PT	81	0.7	89	128	140	166	169	165	1.2
Mathematics & Physical Sciences	FT	6,961	6.0	7,731	8,020	8,203	8,285	8,285	8,792	6.2
	PT	337	2.8	333	336	324	328	346	375	3.0
General Arts & Science	FT	30,278	26.0	27,743	26,652	33,384	31,531	30,430	33,986	25.1
	PT	6,665	56.3	5,874	6,023	5,620	5,355	4,933	5,082	34.9
Total ³	FT	116,262	100.0	120,681	127,143	138,842	138,099	135,365	136,759	141,781
	PT	11,832	100.0	11,545	12,670	12,181	12,323	12,251	13,082	13,876
Not Applicable & Not Reported	FT	6,208		9,931	10,773	4,961	4,610	3,632	2,912	3,196
	PT	3,271		4,727	4,865	4,962	6,794	7,249	7,807	7,968
TOTAL FTE		137,573		146,884	155,451	160,946	161,826	151,497	160,560	166,821
										21.3

(1) The universities' part-time education enrolment increased rapidly when the universities assumed responsibility for courses previously operated by the Ministry of Education.

(2) These enrolment figures are included in the sector total immediately above.

(3) These figures do not include "Not Applicable" and "Not Reported" student numbers.

Full-Time and Part-Time FTE Graduate Enrolment by Discipline Sector, 1973-74 to 1980-81

		1973-74		1974-75		1975-76		1976-77		1977-78		1978-79		1979-80		1980-81		% change 1973-74 to 1980-81
		number	% share of total	number	% share of total	number	% share of total	number	% share of total	number	% share of total	number	% share of total	number	% share of total	number	% share of total	
Education	FT	1,071	6.8	803	898	1,054	1,040	1,031	1,103	1,158	7.7	8.1						
	PT	761	27.8	830	924	1,052	1,030	991	998	983	29.6	29.2						
Physical ¹	FT	66	0.4	98	117	128	144	147	182	213	1.4	222.7						
Education	PT	19	0.7	14	13	21	21	23	26	23	0.7	(21.1)						
Fine and Applied	FT	206	1.3	190	193	199	253	246	256	300	2.0	45.6						
Arts	PT	14	0.5	18	21	24	23	25	27	26	0.8	85.7						
Humanities & Related	FT	3,129	19.8	3,180	3,136	3,138	3,274	3,244	2,807	2,743	18.1	(12.3)						
	PT	470	17.2	447	457	472	521	548	482	439	13.2	(6.6)						
Social Sciences	FT	5,395	34.2	5,484	5,987	6,091	5,990	5,980	5,797	5,869	38.7	8.8						
and Related	PT	971	35.5	1,026	1,158	1,195	1,188	1,163	1,194	1,258	37.8	29.6						
Commerce and	FT	1,443	9.1	1,352	1,551	1,615	1,622	1,666	1,786	1,895	12.5	31.3						
Business Related ¹	PT	491	18.0	462	566	605	568	569	605	660	19.8	34.4						
Agriculture &	FT	806	5.1	606	671	1,091	1,066	1,029	1,080	1,157	7.6	43.5						
Biological Science	PT	56	2.1	43	46	56	60	55	57	64	1.9	14.3						
Engineering &	FT	1,409	8.9	1,473	1,540	1,597	1,500	1,392	1,426	1,521	10.0	7.9						
Applied Sciences	PT	290	10.6	330	372	325	313	293	317	313	9.4	7.9						
Engineering &	FT	1,376	8.7	1,429	1,495	1,522	1,433	1,324	1,356	1,443	9.5	4.9						
Engineering Sci. ¹	PT	283	10.4	325	365	317	304	286	312	309	9.3	9.2						
Health Professions	FT	2,078	13.2	1,941	1,895	1,704	751	852	925	932	6.2	(55.1)						
& Occupations	PT	46	1.7	45	46	89	97	99	114	106	3.2	130.4						
Mathematics &	FT	1,688	10.7	1,628	1,760	1,798	1,636	1,518	1,416	1,470	9.7	(12.9)						
Physical Sciences	PT	125	4.6	145	142	127	134	141	135	136	4.1	8.8						
Total ²	FT	15,782	100.0	15,305	16,080	16,672	15,510	15,292	14,810	15,150	100.0	(4.0)						
	PT	2,733	100.0	2,884	3,166	3,340	3,366	3,315	3,324	3,325	100.0	21.7						
Not Applicable &	FT	500		1,216	1,569	481	147	129	142	118								
Not Reported	PT	135		189	225	184	158	155	135	131								
TOTAL FTE		19,150		19,594	21,040	20,677	19,181	18,891	18,411	18,724		(2.2)						

(1) These enrolment figures are included in the sector totals immediately above.

(2) These figures do not include "Not Applicable" and "Not Reported" student numbers.

Source: USIS 110100113 and 110100114.

TABLE 8

**Academic Staff Complements,
1977-78 to 1980-81¹**

	1977-78	1978-79	1979-80	1980-81
Full-Time Tenure Stream	9,808	9,926	9,795	9,838
Full-Time Limited Term	1,643	1,584	1,584	1,522
FTE of Part-Time	1,815.9	1,751.3	1,666.6	1,691.4
	_____	_____	_____	_____
TOTAL FTE	13,266.9	13,261.3	13,045.6	13,051.4

(1) Data were not available for: Algoma, Nipissing, Hearst and Dominican College, the Ontario College of Art and the church-related affiliates of the provincially assisted universities. Full-time faculty is reported as of October 1st of each year.

Source: Council of Ontario Universities.

TABLE 9

**Equipment and Furniture Expenditures from Operating Income (\$000)
1976-77 to 1979-80**

	1976-77	1977-78	1978-79	1979-80	1980-81
Brock	271	238	206	321	316
Carleton	1,023	1,209	1,230	976	1,068
Guelph	1,633	1,482	1,812	2,109	1,886
Lakehead	291	355	346	430	762
Laurentian	188	307	312	252	194
Nipissing	63	33	26	20	28
Hearst	68	17	19	25	3
McMaster	1,414	1,718	2,035	1,371	1,381
Ottawa	1,301	1,395	1,563	2,214	2,652
Queen's	1,574	803	1,182	1,474	1,608
Toronto	4,704	5,814	7,003	5,964	6,975
Trent	160	138	118	111	112
Waterloo	2,432	3,099	2,255	2,720	2,593
Western	3,138	3,336	3,283	3,409	4,450
WLU	574	556	565	522	501
Windsor	1,064	1,010	975	1,241	1,470
York	1,210	948	1,439	1,759	1,389
Ryerson	2,057	1,941	956	1,176	618
OISE	251	260	349	221	135
TOTAL	23,416	24,686	25,674	26,315	28,141
(constant 1976-77 \$s)	(23,416)	(22,041)	(20,655)	(19,250)	(17,936)

Notes:

(1) Excludes Algoma College since data were not available for 1976-77.

(2) The price deflator used for calculating constant dollar values for 1977-78 to 1979-80 was the Equipment, Computer and Furniture component of the Ontario Universities' Non-Salary Price Index. The price deflator used for 1980-81 was Council's estimate of the value of the total Ontario Universities' Non-Salary Price Index. The percentage increases in the Equipment, Computer and Furniture component of the index were quite similar to those experienced by the total index in the first four years of the table.

Source: COFO-UO Financial Reports for 1976-77, 1977-78, 1978-79 and 1979-80. Anticipated final expenditures obtained from the universities for 1980-81.

Expenditures on Library Acquisitions from Operating Income, 1972-73 to 1980-81 (\$000's constant 1972-73)

	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Brock	213	214	252	264	219	208	184	173	146
Carleton	824	847	866	650	681	685	548	494	389
Guelph	565	608	635	505	635	550	541	378	515
Lakehead	287	296	263	236	257	258	203	195	171
Laurentian	300	254	246	218	200	192	167	143	124
McMaster	830	915	974	860	1,016	894	902	872	784
Ottawa	1,378	1,210	1,048	844	762	704	654	642	653
Queen's	1,001	817	868	716	709	612	581	658	596
Toronto	2,222	2,209	1,902	1,853	1,693	1,653	1,633	1,654	1,635
Trent	235	195	252	241	235	230	177	178	144
Waterloo	933	987	997	766	762	794	735	698	634
Western	1,352	1,029	1,097	1,108	1,246	956	965	923	894
Wilfrid Laurier	235	273	436	365	361	345	307	260	250
Windsor	605	675	756	635	693	602	505	478	430
York	1,320	1,187	998	934	819	741	699	725	662
Ryerson	250	278	337	77	227	198	130	155	153
OISE	128	125	116	90	79	80	77	71	62
TOTAL	12,678	12,119	12,043	10,362	10,594	9,702	9,008	8,697	8,242

Note: The price deflator used for calculating constant dollar values for 1972-73 to 1979-80 was the Books and Periodicals component of the Ontario Universities' Non-Salary Price Index. The price deflator used for 1980-81 was estimated by Queen's University at Council's request.

Source: Council of Ontario Universities for the years 1972-73 to 1977-78.

COFO-UO Financial Reports for 1978-79 and 1979-80.

Anticipated final expenditures obtained from the universities for 1980-81.

TABLE 11

**Historical Summary
Capital Funding for Universities, Ryerson, OCA,
1944-64 to 1981-82 (\$000)**

	OUCAC Deben- tures ⁴	Capital Grants ¹	Minor Repairs & Mainte- nance	Health Sciences ²	Min. of Energy	Wintario Grants ³	Total
1944-64		83,448					83,448
1964-65	45,600						45,600
1965-66	89,239						89,239
1966-67	93,105						93,105
1967-68	99,995						99,995
1968-69	132,974						132,974
1969-70	101,619			7,634			109,253
1970-71	111,760			28,045			139,805
1971-72	114,739			21,308			136,047
1972-73	89,162			9,550			98,712
1973-74	46,254			8,238			54,492
1974-75	17,398			4,244			21,642
1975-76	16,236		2,746	4,176	435		23,593
1976-77	11,190		4,086	5,330	115	985	21,706
1977-78	18,250		5,800 ¹	7,693	146		31,889
1978-79		15,247		2,076	178		17,501
1979-80		13,445		5,107	45	930	19,527
1980-81		13,500		4,924	50	2,170	20,644
1981-82		13,500		5,500+	—		19,000
TOTAL		1,126,661	12,632	113,825	969	4,085	1,258,172

(1) Amount added to operating grant base in 1979-80.

(2) Excludes bridge financing grants, but includes \$804,000 for biohazard containment in 1979-80.

(3) Amounts committed in the year shown.

(4) Capital projects funded by debentures issued by the Government of Ontario.

Source: Ministry of Colleges and Universities

TABLE 12

**Annual OCUA Recommendation for New Capital Funding for
Major Repairs, Renovations and Replacement Projects
and Government Allocation of Capital Grants,
1976-77 to 1981-82 (\$000)**

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
(A) GRANTS FOR WHICH OCUA MAKES RECOMMENDATIONS:						
OCUA Recommendation for Funding of						
New Major Repairs, Renovations and						
Replacement Projects (Excluding						
Carry-Overs and New Construction)						
	11,800.0	14,100.0	14,500.0	17,900.0	19,100.0	21,200.0
(B) GOVERNMENT GRANTS IN RESPONSE TO THE OCUA RECOMMENDATIONS:						
1. <u>Major Renovations and Repairs</u>						
New Starts	6,182.0	6,533.8	5,326.0	850.0	4,661.9	6,305.0
(Shortfall in Government New Capital Funding for Major Repairs and Renovations)	(5,618.0)	(7,566.2)	(9,174.0)	(17,050.0)	(14,438.1)	(14,895.0)
(C) GOVERNMENT GRANTS FOR WHICH OCUA DOES NOT MAKE RECOMMENDATIONS:						
1. <u>Major Renovations and Repairs (continued)</u>						
Carry-Overs	2,523.4	4,865.0	2,499.1	10,451.1	7,072.1	5,464.5
2. <u>New Construction</u>						
New Starts	2,208.0	411.7	2,118.0	—	50.0	—
Carry-Overs	—	5,769.5	5,303.5	2,198.9	1,716.0	1,730.5
TOTAL	2,208.0	6,181.2	7,421.5	2,198.9	1,766.0	1,730.5
3. <u>Land Purchases</u>						
New Starts	—	609.0	—	—	—	—
Carry-Overs	276.6	—	—	—	—	—
TOTAL	276.6	609.0	—	—	—	—
TOTAL GOVERNMENT CAPITAL GRANTS ¹	11,190.0	18,189.0	15,246.6	13,500.0	13,500.0	13,500.0

(1) Sum of "New Starts" in Section (B) and "New Starts" and "Carry-Overs" in Section (C).
Source: Ministry of Construction.

Formula Operating Grants (\$000)

	Base Years (1974-77)	1977-78 (Actual)	1978-79 (Actual)	1979-80 (Actual)	1980-81 (Actual)	1981-82 (Interim)	Total (1977-82)
Brock	25,754	11,130	11,957	12,591	13,390	14,852	63,920
Carleton	84,806	36,063	38,353	39,786	42,255	45,942	202,399
Guelph	101,853	42,956	46,116	48,218	51,244	55,553	244,087
Lakehead	24,615	10,212	11,017	11,765	12,474	13,579	59,047
Laurentian	22,680	9,815	10,539	11,152	12,022	13,004	56,532
Algoma	2,722	1,014	1,043	1,061	1,065	1,098	5,281
Nipissing	2,696	1,393	1,585	1,644	1,698	1,840	8,160
Hearst	731	278	274	283	289	301	1,425
McMaster	112,241	47,135	50,566	52,468	56,116	60,878	267,163
Ottawa	126,454	52,926	56,687	59,501	64,433	71,213	304,760
Queen's	113,624	47,027	50,464	53,599	57,799	63,217	272,106
Toronto	379,085	153,437	163,063	171,833	185,825	205,656	879,814
Trent	15,413	6,736	7,349	7,701	8,216	8,844	38,846
Waterloo	125,873	52,763	56,641	59,681	63,898	70,175	303,158
Western	171,875	70,721	75,117	78,939	84,311	92,742	401,830
Wilfrid Laurier	28,909	12,263	13,276	14,067	15,274	17,134	72,014
Windsor	68,972	30,662	33,292	34,195	35,327	38,802	172,278
York	127,938	53,380	56,776	59,205	62,883	70,000	302,244
Ryerson	65,698	27,422	31,034	32,896	36,724	40,422	168,498
OISE	23,246	9,831	10,406	11,275	12,215	13,357	57,084
OCA	8,568	3,840	4,295	4,679	5,140	5,676	23,630
TOTAL	1,634,753	681,004	729,850	766,539	822,598	904,285	3,904,276

Source: Ministry of Colleges and Universities

TABLE 14

Enrolment Driven Funding: Difference Between Actual Grants and Hypothetical Grants Based on Slip-Year Formula Basis

	(\$000)												TOTAL	
	1977-78		1978-79		1979-80		1980-81		1981-82					
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Brock	214	1.9	113	0.9	- 616	- 4.9	- 156	- 1.7	1,037	7.0	592	0.9		
Carleton	- 34	- 0.1	- 762	- 2.0	- 983	- 2.5	-1,025	- 2.4	-2,910	- 6.3	-5,714	- 2.8		
Guelph	171	0.4	977	2.1	-1,152	- 2.4	-1,409	- 2.7	-2,387	- 4.3	-3,800	- 1.6		
Lakehead	174	1.7	725	6.6	132	1.1	- 712	- 5.7	- 314	- 2.3	5	0.0		
Laurentian	126	1.3	- 4	- 0.0	216	1.9	- 48	- 0.4	- 885	- 6.8	- 595	- 1.1		
Algoma	- 139	-13.7	- 120	-11.5	- 226	-21.3	- 319	-30.0	- 121	-11.2	- 925	-17.5		
Nipissing	231	16.6	141	8.9	- 286	-17.4	- 47	- 2.8	525	28.5	564	6.9		
Hearst	- 40	-14.4	- 82	-29.9	- 10	- 3.5	- 92	-31.8	- 137	-45.5	- 361	-25.3		
McMaster	- 578	- 1.2	- 577	- 1.1	- 511	- 1.0	-1,716	- 3.1	-3,349	- 5.5	-6,731	- 2.5		
Ottawa	103	0.2	- 832	- 1.5	1,428	2.4	2,728	4.2	1,045	1.5	4,472	1.5		
Queen's	589	1.3	1,389	2.8	732	1.4	847	1.5	792	1.3	4,349	1.6		
Toronto	-2,520	- 1.6	-2,655	- 1.6	3,708	2.2	3,920	2.1	198	0.1	2,651	0.3		
Trent	143	2.1	407	5.5	- 111	- 1.4	- 172	- 2.1	- 239	- 2.7	28	0.1		
Waterloo	813	1.5	566	1.0	169	0.3	55	0.1	- 955	- 1.1	648	0.2		
Western	- 984	- 1.4	- 212	- 0.3	-1,868	- 2.4	-1,917	- 2.3	1,450	1.6	-3,531	- 0.9		
Wilfrid Laurier	105	0.9	419	3.2	587	4.7	1,043	6.8	1,806	10.5	3,960	5.5		
Windsor	1,595	5.2	786	2.4	-2,794	- 8.2	-2,644	- 7.5	-1,988	- 5.1	-5,045	- 2.9		
York	251	0.5	-1,134	- 2.0	-1,641	- 2.8	- 536	- 0.9	2,211	3.2	- 849	- 0.3		
Ryerson	-1,161	- 4.3	- 926	- 3.0	1,487	4.5	279	0.8	2,203	5.5	1,881	1.1		
OISE	521	5.3	1,265	12.7	1,237	11.0	1,213	9.9	1,395	10.4	5,631	9.9		
OCA	420	10.9	516	12.0	502	10.7	708	13.8	623	11.0	2,769	11.7		

Notes:

(1) Percentage figures represent the values above or below (-) actual grants as a percentage of actual grants.

**Fixed Share Funding: Difference Between Actual Grants and Hypothetical
Fixed Share Funding Based on Percentage Share of Base Years' Grants**

	(\$000)											
	1977-78		1978-79		1979-80		1980-81		1981-82		TOTAL	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Brock	- 404	- 3.6	- 462	- 3.9	- 518	- 4.1	- 434	- 3.2	- 610	- 4.1	-2,427	- 3.8
Carleton	- 733	- 2.0	- 488	- 1.3	- 18	- 0.0	421	1.0	972	2.1	154	0.1
Guelph	- 529	- 1.2	- 646	- 1.4	- 463	- 1.0	4	0.0	784	1.4	- 850	- 0.3
Lakehead	44	0.4	- 25	- 0.2	- 221	- 1.9	- 86	- 0.7	40	0.3	- 248	- 0.4
Laurentian	- 370	- 3.8	- 416	- 3.9	- 520	- 4.7	- 612	- 5.1	- 462	- 3.6	-2,380	- 4.2
Algoma	123	12.1	176	16.9	219	20.6	309	29.0	412	37.5	1,239	23.5
Nipissing	- 269	-19.3	- 381	-24.0	- 379	-23.1	- 341	-20.1	- 348	-18.9	-1,718	-21.1
Hearst	28	10.1	54	19.7	62	21.9	81	28.0	160	35.2	331	23.2
McMaster	- 377	- 0.8	- 454	- 0.9	163	0.3	364	0.6	1,210	2.0	906	0.3
Ottawa	- 250	- 0.5	- 233	- 0.4	- 209	- 0.4	- 805	- 1.2	-1,267	- 1.8	-2,764	- 0.9
Queen's	310	0.7	268	0.5	- 317	- 0.6	- 620	- 1.1	- 360	- 0.6	- 719	- 0.3
Toronto	4,481	2.9	6,182	3.8	5,920	3.4	4,927	2.7	4,039	2.0	25,549	2.9
Trent	- 314	- 4.7	- 467	- 6.4	- 472	- 6.1	- 459	- 5.6	- 317	- 3.6	-2,029	- 5.2
Waterloo	90	0.2	3	0.0	- 190	- 0.3	- 56	- 0.1	7	0.0	- 146	- 0.0
Western	880	1.2	1,619	2.1	1,655	2.1	2,177	2.6	2,335	2.5	8,666	2.2
Wilfrid Laurier	- 223	1.8	- 372	- 2.8	- 515	- 3.7	- 730	- 4.8	-1,146	- 6.7	-2,986	- 4.0
Windsor	-1,930	- 6.3	-2,500	- 7.5	-1,855	- 5.4	- 622	- 1.8	- 650	- 1.7	-7,557	- 4.4
York	- 85	- 0.2	342	0.6	784	1.3	1,494	2.4	769	1.1	3,304	1.1
Ryerson	- 53	- 0.2	-1,701	- 5.5	-2,089	- 6.4	-3,664	-10.0	-4,079	-10.1	-11,586	- 6.9
OISE	- 147	- 1.5	- 28	- 0.3	- 375	- 3.3	- 518	- 4.2	- 498	- 3.7	-1,566	- 2.7
OCA	- 272	- 7.1	- 471	-11.0	- 662	-14.1	- 830	-16.1	- 938	-16.5	-3,173	-13.4

Notes:

- (1) Percentage figures represent the values above or below (-) actual grants as a percentage of actual grants.
- (2) Positive figures imply that the institution would have received a greater level of grants under this fixed share funding scheme than the institution actually received.

Council's Advisory Memoranda

81-1 The Ontario Graduate Scholarship Program, 1982-83

In this memorandum Council advises on the value of the Ontario Graduate Scholarship stipend and the number of awards.

Scholarship Eligibility

Since 1979-80, the eligibility rules for the Ontario Graduate Scholarship program have been such as to permit candidates who have held landed immigrant status for at least one year prior to the application date to compete with Canadian citizens for the open awards. In Advisory Memorandum 80-I, Council pointed out that, in the letter announcing this change, the Minister noted that "this is a very fair approach and one which should become a permanent feature of the program".

The OGS residency requirement is consistent with the requirements for the Social Sciences and Humanities Research Council (SSHRC) doctoral fellowships but more restrictive than the requirements for the Natural Sciences and Engineering Research Council (NSERC) postgraduate scholarships. Council is not recommending any changes to the OGS residency requirement for landed immigrants for 1982-83.

Scholarship Stipend

In a letter dated March 23, 1981 the Minister announced that the value of the stipend for 1981-82 would increase to \$1,900 per term from \$1,630 per term for 1980-81. This represents a 16.6% increase in the value of the award. At the same time, the Minister announced that the limit on other academic awards that could be held with the OGS would increase from \$1,000 to \$2,500.

Council welcomes this increase in the value of the award but regrets that the total dollars for the program will very likely be reduced in 1981-82, thus making it possible to award only 1,000 scholarships rather than the 1,200 given in 1980-81. Nonetheless, the Minister's decision regarding the value of the OGS stipend and the number of awards is clearly consistent with Council's position regarding the Ontario Graduate Scholarship Program.

Each year, Council has reaffirmed both its commitment to the OGS as a prestige award and its belief that the first priority should be assigned to the value of the award. This was stated in some detail in Advisory Memorandum 80-I. In that memorandum, Council also pointed out that while its position historically had not received unanimous support from within the university community, the report of the Chairman of the OGS Selection Board for 1980-81 indicated strong support for this view.

The 16.6% increase in the value of the stipend for 1981-82 serves to reverse part of the decline in the relative value of the scholarship that has occurred in past years. For 1981-82, the value of an NSERC award has been increased by 10% and the value of a SSHRC award has been increased by 11.5%. Because of these comparative increases, for 1981-82, the relative value of an OGS has increased to approximately 61% of the value of an NSERC award and 65% of the value of a SSHRC award from 58% and 62% respectively in 1980-81. However, the relative value of the OGS still does not compare favourably with 1974-75 when the OGS was approximately 76% of the value of an NSERC award and 85% of the value of a SSHRC award.

In Table I, Council updates its comparison of the values of the OGS, NSERC and SSHRC awards since 1974-75.

Table I

COMPARATIVE SCHOLARSHIP STIPENDS

	OGS	NSERC PGS Stipends ¹	SSHRC Stipends (1st & 2nd PhD)
1974-75	\$3,400 ²	\$4,500	\$4,000
1975-76	\$3,400 ²	\$5,000	\$5,000
1976-77	\$3,750	\$5,520	\$5,500
1977-78	\$4,350	\$6,000	\$6,000
1978-79	\$4,500	\$6,360	\$6,360
1979-80	\$4,800	\$7,000	\$6,750
1980-81	\$4,890	\$8,500	\$7,860
1981-82	\$5,700	\$9,350	\$8,760
% increase 1981-82 over 1974-75	67.6	107.8	119.0

1. NSERC scholarship values are those that were in effect in the Fall of each academic year.

2. Adjusted to take account of the integration of fees into the stipend in 1976-77.

In Advisory Memorandum 80-I, Council outlined the effects that inflation (as measured by the Consumer Price Index) has had on the real values of the OGS, NSERC and SSHRC awards. Table II updates the information provided last year. It incorporates revised inflation rates for the 1979-80 and 1980-81 fiscal years and an estimate for 1981-82. The table shows that the 16.6% increase in the value of the OGS stipend for 1981-82 results in an increase in the real value of the award over 1980-81. However, the 1981-82 value of the award in 1974-75 dollars is still 11.4% below the 1974-75 value. In comparison, the real values of the NSERC and SSHRC awards for 1981-82 are, respectively, 9.8% and 15.7% higher than their 1974-75 values.

Table II

COMPARATIVE SCHOLARSHIP STIPENDS
(In Constant Dollars 1974-75 100.0)

	OGS	NSERC PGS Stipends	SSSHRC Stipends (1st & 2nd PhD)
1974-75	\$3,400	\$4,500	\$4,000
1975-76	\$3,091	\$4,545	\$4,545
1976-77	\$3,191	\$4,698	\$4,681
1977-78	\$3,409	\$4,702	\$4,702
1978-79	\$3,233	\$4,569	\$4,569
1979-80	\$3,158	\$4,605	\$4,441
1980-81	\$2,893	\$5,030	\$4,651
1981-82	\$3,011	\$4,939	\$4,628
% change 1981-82 over 1974-75	-11.4	+9.8	+15.7

In determining the value of the OGS stipend that it intends to recommend for 1982-83, Council has taken all of the above into consideration. In addition, it is likely that the values of the federal awards will increase again in 1982-83. Council has also noted that in his report, the Chairman of the OGS Selection Board for 1981-82 states that:

The Board urges the Ministry most strongly to restore the number of awards to 1200 as soon as possible, at the same time maintaining the real value of the awards. Only under these circumstances can this program serve as an effective incentive and encouragement to the best students in Ontario.

Council remains committed to the Ontario Graduate Scholarship as a prestige award and continues to assign first priority to the value of the award. It is imperative for Ontario to contribute significantly to the support of high quality graduate students. Council therefore believes that the stipend value should be increased to \$6,300 for 1982-83. This represents approximately an 11% increase over the 1981-82 stipend value. Council must point out that, given expected inflation rates, this increase would serve only to maintain the real value of the award at approximately the 1981-82 value. Accordingly, Council *recommends to the Minister:*

OCUA 81-1

ONTARIO GRADUATE SCHOLARSHIP STIPENDS, 1982-83

THAT Ontario Graduate Scholarships carry a minimum stipend of \$6,300, or \$2,100 per term; in 1982-83.

Numbers of Awards

Table III updates the information provided in Advisory Memorandum 80-I regarding the number and distribution of OGS awards by category since 1974-75.

Table III

NUMBER OF OGS AWARDS (by category)				
	Open	Institutional	Visa/LI	Total
1974-75	850	150	(Quota)*	1,000
1975-76	850	150	(Quota)*	1,000
1976-77	850	150	(Quota)*	1,000
1977-78	850	45	50	945
1978-79	1,150	45	50	1,200
1979-80	1,095	45	60	1,200
1980-81	1,095	45	60	1,200
1981-82	910	40	50	1,000

* Up to 10% of the awards could be allocated to landed immigrants or holders of student visas.

In each of the four years preceding 1981-82, 45 institutional awards (9 per university) were reserved for universities which offer no doctoral programs. Given the reduction in the total number of OGS awards for 1981-82, only 40 awards (8 per university) were reserved for this purpose. Council continues to support the category of institutional awards and, for 1982-83, accordingly *recommends to the Minister*:

OCUA 81-2

INSTITUTIONAL AWARDS TO UNIVERSITIES WITHOUT DOCTORAL PROGRAMS

THAT up to 45 scholarships (9 per university) be institutional awards in 1982-83 for the universities having no doctoral programs.

Since 1977-78, a certain number of awards has been reserved for "recent" landed immigrants and persons on student visas. In each of 1977-78 and 1978-79, 50 awards were made available and in 1979-80 the number was increased to 60. For 1981-82, however, the number of awards reserved for this category of the competition was reduced to 50. Council supports the continuation of this category of scholarships for 1982-83 and accordingly *recommends to the Minister*:

OCUA 81-3

ONTARIO GRADUATE SCHOLARSHIPS TO RECENT LANDED
IMMIGRANTS AND PERSONS ON STUDENT VISAS

THAT up to 60 scholarships be reserved for persons who, at the time of application, are either student visa holders or have held landed immigrant status for less than one year.

At a stipend level of \$6,300, OGS funding would have to increase by approximately 11% to maintain the total number of awards at 1,000 and by approximately 33% in order to restore the number of awards to 1,200. Council views an 11% increase as the absolute minimum that is necessary to support the Ontario Graduate Scholarship Program. Given a stipend value of \$6,300, Table IV shows the number of awards, by category, which would be available in a range of funding increases from 11% to 33%. In view of all of the above considerations, Council requests that, for 1982-83, the increase in funding for the Ontario Graduate Scholarship Program be within the percentage range shown in Table IV. Council accordingly *recommends to the Minister:*

OCUA 81-4

NUMBER OF ONTARIO GRADUATE SCHOLARSHIP AWARDS IN 1982-83

THAT consistent with the priority attached by Council to a 1982-83 stipend of \$6,300, the numbers of Ontario Graduate Scholarships available for:

- (a) open competition,
- (b) institutional awards at universities having no doctoral programs, and,
- (c) visa students and recent landed immigrants

be determined in the manner illustrated in Table IV of this memorandum.

W.C. Winegard
Chairman
May 29, 1981

Table IV

NUMBER AND COMPOSITION OF OGS AWARDS FOR 1982-83 UNDER ALTERNATIVE FUNDING INCREASES

Percent Increases in Funding for 1982-83 over 1981-82 (%)	Total Awards Possible at a Stipend of \$2,100 per term ¹ (No.)	Awards Available for Open Competition (No.)	Awards Available for Visa Students and Recent Landed Immigrants (No.)	Institutional Awards for Equal Distribution by Quota among Universities with no Doctoral Programs (No.)
11 ²	1,004	914	50	40
12	1,013	922	51	40
13	1,022	931	51	40
14	1,031	939	52	40
15	1,040	948	52	40
16	1,050	957	53	40
17	1,059	966	53	40
18	1,068	970	53	45
19	1,077	978	54	45
20	1,086	987	54	45
21	1,095	995	55	45
22	1,104	1,004	55	45
23	1,113	1,012	56	45
24	1,122	1,021	56	45
25	1,131	1,029	57	45
26	1,140	1,038	57	45
27	1,149	1,047	57	45
28	1,158	1,055	58	45
29	1,167	1,064	58	45
30	1,176	1,072	59	45
31	1,185	1,081	59	45
32	1,194	1,089	60	45
33	1,203	1,098	60	45

1. Assuming that there is no change in the mix of three-term and two-term awards.

2. The recommended stipend of \$6,300 for 1982-83 is approximately 11% greater than the stipend for 1981-82. Therefore the OGS funding for 1982-83 would have to increase by approximately 11% to maintain the same number of awards.

81-II Government Support for the University System in 1982-83

Council tenders its 1982-83 funding advice in a period when Ontario universities are experiencing increasing financial pressures. In *A Financial Analysis of the Ontario University System - 1980*, Council expressed deep concern over the ability of Ontario institutions to meet the goals of the Ontario university system when faced with such severe financial constraints. Its concerns have not abated. Indeed, there have been telling signs during the past year that Council's apprehensions are shared by Government, as evidenced by the establishment of the Committee on the Future Role of Universities in Ontario.

GOVERNMENT SUPPORT IN PERSPECTIVE

The increase in university operating grants for 1981-82 is an improvement over the increases experienced in recent years. However, total funds available to the Ontario university system still fall short of meeting its basic financial needs.

In Advisory Memorandum 80-VI, Council estimated that Government support of the Ontario university system would fall about \$22 million short of meeting Council's basic funding objectives for 1981-82. This estimate was based on the inflation and enrolment change factors used in calculating the original funding recommendation. It is apparent that these factors were too low. When revised factors are incorporated into Council's funding model, as detailed in Appendix A, the university system's revenue for 1981-82 will be at least \$44.0 million short of the funds required.¹

BASIC FUNDING OBJECTIVES FOR 1982-83

The funding objectives to which Council has subscribed for the past few years have been retained for 1982-83. These objectives are: (1) to offset inflationary trends, (2) to maintain levels of service commensurate with changes in enrolment, and (3) to adjust for predicted enrolment change.

The Cost of Council's Basic Funding Objectives for 1982-83

The method for costing Council's basic funding objectives differs little from the approach followed in recent years. The methodology and factors used to calculate the funds required are outlined below. Table I documents the results of the calculations.

Column 1: The 1981-82 Base - The base employed in Council's funding model is an estimate of university system expenditures in 1981-82. In calculating this base,² it is assumed that expenditures in 1981-82 are equal to estimated system revenues. As a result, the base does not incorporate the unmet funding needs identified above.

The treatment of "other income" in the 1981-82 estimate of system revenues differs slightly from that followed by Council in past years. Two revenue categories, (1) municipal tax grants, and (2) gifts, donations and non-government grants, are excluded from the estimate of total system revenue. Municipal tax grants are eliminated from the base in recognition of the fact that this income goes directly to the municipalities, with the universities acting only as intermediaries in the transfer process. The exclusion from the base of income from gifts, donations and non-government grants, reflects Council's belief that the inclusion of income from these sources in a formula designed to determine the level of Government operating grants may have a deterrent effect on the level of gifts, donations and non-government grants received by the universities.

1. In accordance with the Minister's acceptance of OCUA 79-12, revenue received from additional optional fees is not taken into consideration in this memorandum.

2. A detailed description of the derivation of this base is given in Appendix B.

The base expenditures include those of the fifteen provincially-assisted universities, the affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College. Total eligible university operating revenues and expenditures are estimated to equal \$1,170.1 million in 1981-82. These expenditures are distributed between the expenditure categories (salaries and fringe benefits, and non-salary items) according to their corresponding share in the universities' budgets.

Column 2: Inflationary Trend Costs - In order to determine the inflation factor to be used for 1982-83, Council is again selecting the low end of several forecasts of increases in the Consumer Price Index (CPI) made by competent authorities. As a result, a salary and fringe benefits inflation factor of 11.0% has been incorporated in Council's funding calculation.

For several years, price increases in universities' non-salary items have exceeded increases in the CPI. Over the period 1973-74 to 1979-80, the annual percentage change in the Ontario Universities Non-Salary Price Index (OUNSPI) averaged 32.2% higher than the annual percentage change in the CPI. Thus, Council's non-salary inflation factor is 14.5%, derived by increasing the 11.0% salary inflation factor by the average differential between increases in the OUNSPI and the CPI for the period identified above.

Column 3: Service Level Costs - Council's advice continues to include a provision for maintaining levels of service. The major component of the cost of maintaining these levels is a consequence of the uneven age distribution of the faculty complement which in turn generates a net cost in providing for progress through the ranks (PTR). The Council of Ontario Universities recently developed a faculty manpower flow model to estimate these costs. This model predicts that the present university faculty age distribution will generate a net cost of providing for progress through the ranks for 1982-83 of 1.9%. Council realizes that this model does not include the PTR costs associated with non-faculty staff. It is Council's intention to ask the Council of Ontario Universities to undertake a review of non-faculty PTR costs during the forthcoming year. Despite a lack of information on the PTR costs of non-faculty staff, Council applied in Column 3 the 1.9% factor to the total salary and fringe benefit expenditures.

Column 4: Efficiency/Rationalization Factor - Council recognizes that the university system feels that the inclusion of the efficiency/rationalization factor in the funding model is inappropriate during a period of severe underfunding. However, Council remains convinced that the principle of searching for ways of increasing efficiency and promoting rationalization must continue to be pursued by the university system. In recognition of the level of underfunding experienced by the university system in recent years, Council reduced the value of the efficiency/rationalization factor from -0.7% to -0.5% in its 1981-82 advice. Council has decided to apply the same factor, -0.5%, for 1982-83.

Column 5: Predicted Enrolment Change - Total university enrolment increased by about 3.0% in 1980-81. This increase was characterized by enrolment increases at all levels of study, and a particularly large increase in first-year enrolment. COU's Committee on Enrolment Statistics and Projections estimates that total university enrolment will increase by over 3% in 1981-82. Council has reviewed this forecast, the available data concerning the number of applications and applicants for first-year entry in the Fall of 1981, retention rates and the associated potential enrolment increases in upper years in 1982-83, and recent projections of 1982 Secondary School Honours Graduation Diploma recipients. After taking these many factors into consideration, Council estimates that enrolment will increase by 2.0% in 1982-83. It is this factor which Council adopts for Column 5 of its funding model.

Column 6: Stabilization Factor - Council continues to apply the principle of stabilization in funding with respect to enrolment change, regardless of the direction of the change in enrolment. As a result, Council again applies a 50% discount factor to the predicted

Table I

The Cost of Basic Funding Objectives for 1982-83
(\$ million)

	1	2	3	4	5	6	7
	1981-82 Base	Inflationary Trend Costs	Service Level Costs	Efficiency/ Rationalization Factor	Predicted Enrolment Change	Stabilization Factor	Cost of Basic Objectives for 1982-83
Expenditures							
Salaries and Fringe Benefits	944.3	103.9	19.9	-5.3	21.3	-10.7	1,073.4
Non-Salary	225.8	32.7	0.0	-1.3	5.1	-2.6	259.7
Total	<u>1,170.1</u>	<u>136.6</u>	<u>19.9</u>	<u>-6.6</u>	<u>26.4</u>	<u>-13.3</u>	<u>1,333.1</u>

Notes:

1. Percentage change factors are as follows: Column 2: 11.0%, 14.5%, Column 3: 1.9%, 0.0%; Column 4: -0.5%; Column 5: 2.0%; Column 6: -50% of Column 5
2. These factors, except for column 6, are applied to the cumulative total of the previous columns.

1982-83 enrolment increase of 2.0%. In Column 6, 50% of the amount added in Column 5 has been subtracted.

Column 7: Cost of Basic Funding Objectives - The total cost of the basic funding objectives in Column 7 of Table I is the sum of the first six columns in the table. Council estimates that the total cost of the basic funding objectives for 1982-83 is \$1,333.1 million, representing a 13.9% increase over the 1981-82 base.

The Cost to Government of Meeting Council's Basic Funding Objectives

Table II shows the estimated funds required from other revenue, other fee revenue, formula fee revenue and Government operating grants in order to meet Council's basic funding objectives. It assumes that other revenue will remain at the predicted 1981-82 level of \$59.9 million³ and that other fee revenue will equal \$13.7 million. The latter is the 1981-82 level of other fee revenue adjusted for the predicted 2.0% increase in enrolment. Subtracting these items from the Cost of Basic Objectives of \$1,333.1 million, leaves \$1,259.5 million to be met by formula fees and Government operating grants.

Table II

Cost to Government of Meeting Council's Basic Funding Objectives for 1982-83: Provincially-Assisted Universities, Affiliated Colleges, Ryerson, OISE, OCA and Dominican College (\$ million)

1. Cost of Basic Funding Objectives	1,333.1	
2. Other Revenue	(59.9)	
3. Other Fee Revenue	(13.7)	
4. Total Formula Fees and Government Operating Grants required to meet Council's Basic Funding Objectives	1,259.5	
5. Formula Fee Revenue at 1981-82 rates and the predicted 1982-83 level of enrolment	182.6	
6. 1981-82 Operating Grants	917.9	
7. 1981-82 Operating Grants and enrolment-adjusted Formula Fee Revenue (line 5 + line 6)	1,100.5	
8. Percentage increase in Operating Grants and Formula Fee Revenue $\frac{(\text{line 4} - \text{line 7} \times 100)}{\text{line 7}}$		14.4%
9. Additional Formula Fee Revenue generated by a 14.4% increase in formula fee rates	26.4	
10. Total Formula Fee Revenue (line 5 + line 9)	209.0	
11. Cost to Government of Basic Funding Objectives (line 6 increased by 14.4%)	1,050.5	

3. As predicted in Appendix B.

Of the above \$1,259.5 million, \$182.6 million are expected to accrue to the university system from formula fees at 1981-82 rates, adjusted for the predicted 2% increase in enrolment. Consistent with Council's advice on formula fee rates in Advisory Memorandum 79-IV, it is assumed that formula fee rates will increase by the same percentage as operating grants. Therefore, both formula fee rates and Government formula and non-formula grants must increase by 14.4%, yielding \$1,050.5 million in operating grants, \$26.4 million in additional formula fee revenue and total formula fee revenue of \$209.0 million (\$182.6 million + \$26.4 million).

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

OCUA 81-5

GOVERNMENT OPERATING GRANTS FOR 1982-83 TO MEET THE COST OF COUNCIL'S BASIC OBJECTIVES IN FUNDING THE OPERATION OF PROVINCIALLY-ASSISTED UNIVERSITIES AND THEIR AFFILIATED COLLEGES, RYERSON POLYTECHNICAL INSTITUTE, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION, THE ONTARIO COLLEGE OF ART AND DOMINICAN COLLEGE

THAT \$1,050.5 million in operating grants be made available in 1982-83 to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.

OCUA 81-6

FORMULA FEE RATES FOR 1982-83 TO MEET THE COST OF COUNCIL'S BASIC OBJECTIVES

THAT formula fee rates for 1982-83 be increased by the same percentage as operating grants, namely 14.4%, to provide \$209.0 million in formula fee revenue to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College, and that this increase in formula fee rates be fully reflected in the Ontario Student Assistance Program.

SPECIAL INSTITUTIONAL AND POLICY MATTERS

As in previous years, special institutional and policy matters are excluded from Council's basic funding exercise. For the past three years, Council's recommendations covered the annual grant-in-aid to the Bar Admission Course of the Law Society of Upper Canada, and the final instalment required to align bilingualism grants with the incremental costs, as documented by Council, of existing programs and activities. Government has not yet accepted Council's recommendations for the remaining portion of the incremental costs of existing bilingualism programs.

Council remains convinced of the need to fund the documented incremental costs of existing bilingualism activities. With this in mind, Council's funding recommendation for special institutional and policy matters again includes a provision to cover the outstanding portion of the incremental costs of existing bilingualism activities. Council also includes a provision for the grant-in-aid to the Bar Admission Course. Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

OCUA 81-7

FUNDING FOR 1982-83 FOR EXISTING BILINGUALISM PROGRAMS AND THE BAR ADMISSION COURSE

THAT \$1.2 million be provided in 1982-83 for the remaining portion of the documented incremental costs of existing bilingualism programs, and for a grant-in-aid for the Bar Admission Course.

Equipment and Library Needs

Council's concerns about the effects of sustained underfunding on the universities' equipment and library acquisitions have heightened since Council last tendered its advice. In Council's Fall 1980 financial paper, *A Financial Analysis of the Ontario University System - 1980*, Council found evidence of continued deterioration in the equipment and library resources held by Ontario universities. Since then, the Committee on the Future Role of Universities in Ontario has also expressed concern over the state of Ontario universities' equipment and libraries. In its preliminary report, the Committee stated:

The stock of research equipment acquired in the 1960's as part of the capital expansion is rapidly becoming worn or obsolete. Although no accurate estimate can be made of replacement costs, the maintenance of "state of the art" research capability could require \$25 million annually over and above the current levels of expenditure. Library holdings are also in need of replenishing, since the sums allocated annually for this purpose are well below the rate of inflation.⁴

In this light, past Council recommendations concerning additional funding for equipment and library acquisitions appear to be quite modest. Council continues to assert the need for additional funding for equipment and library acquisitions. This assertion now draws a measure of support from Government's stated goals. The Government announced earlier this year that "additional funding will be provided to purchase modern research equipment for engineering and science in Ontario universities".⁵

Accordingly, Council recommends to the Minister and Lieutenant Governor in Council:

OCUA 81-8

EQUIPMENT AND LIBRARY FUNDING FOR 1982-83

THAT in addition to the amounts recommended in 81-5, 81-6 and 81-7, \$10.0 million be provided in 1982-83 in recognition of the special need for equipment and library acquisitions.

CAPITAL ASSISTANCE

In Advisory Memorandum 80-II, Council recommended that \$21.2 million be provided in 1981-82 for new major repairs, renovations and replacement projects. Only \$6.3 million were made available for these purposes. Council reiterates the concerns it has expressed in past years over the long-term effects of continued capital underfunding. Such underfunding will make it necessary to provide larger outlays of capital assistance in the future. This will be more costly over the long-term than the annual provision of a reasonable level of funds.

Council continues to use a level of 1% of the value of the space inventory in the university system as the minimum necessary annually for new major repairs, renovations and replacement projects. For 1982-83, the value of this space inventory has been adjusted

4. Committee on the Future Role of Universities in Ontario, *The Challenge of the '80s*, March 1981, Vol. I, p. 15.

5. *Building Ontario in the 1980's*, January 27, 1981, p. 36.

for inflation by increasing last year's recommendation for capital assistance by 8.9%, the most recent annual change in the Non-Residential Building Construction Price Index (1979 to 1980).

Accordingly, Council *recommends to the Minister and to the Lieutenant-Governor in Council:*

OCUA 81-9

LEVEL OF SUPPORT FOR MAJOR REPAIRS, RENOVATIONS AND REPLACEMENT PROJECTS IN 1982-83

THAT funds for capital assistance in 1982-83 be \$23.1 million for major repairs, renovations and replacement projects, plus any amount necessitated by carry-overs and essential new construction.

CONCLUSION

Although the funding was increased in 1981-82, the increase fell short of that recommended by Council. The shortfall between university system revenues and needs continues to accumulate. The Ontario university system represents a major resource developed over the decades for the benefit of the people of Ontario. The funds recommended in this memorandum are the minimum required to preserve this resource.

W.C. Winegard
Chairman
May 29, 1981

Appendix A to Advisory Memorandum 81-II

This appendix outlines the derivation of the 1981-82 revised shortfall calculation. The original shortfall estimate found in Advisory Memorandum 80-VI has been revised to reflect current projections of inflation and enrolment change. The salaries and fringe benefits inflation factor has been increased to 12.0% from the 9.5% figure used when the advice was first given. The 11.7% non-salary inflation factor found in Advisory Memorandum 80-II has been replaced by a 14.8% figure. Recent enrolment projections for 1981-82 suggest that enrolment will increase by 3.0% rather than by the previously projected 1.0%. When applied to the original base, these updated factors yield a figure for the cost of Council's basic funding objectives of \$1,228.9 million.

Council's estimate of the total funds available to the Ontario university system in 1981-82 has also been revised to reflect more accurately the level of Government grants, fee income, and other revenue to be received. Government made available \$917.9 million in operating grants to cover Council's 1981-82 basic funding objectives. This figure does not include the \$0.6 million used for the grant-in-aid to the Bar Admission Course. Taking into account the projected enrolment increase of 3.0% and the formula fee rate increase of 10.0%, Council estimates that formula fee and other fee income will equal \$192.3 million. Other revenue, including municipal tax grants, gifts, donations and non-government grants, is estimated to be \$74.7 million. These revised estimates imply that the revised figure for total revenue available to the system is equal to \$1,184.9 million.

Council estimates that university revenues for 1981-82 will be \$44.0 million (\$1,228.9 million - \$1,184.9 million) less than that required to meet its revised basic funding objectives.

Appendix B to Advisory Memorandum 81-II

This appendix outlines the derivation of the 1981-82 base used in Council's funding exercise. For the purpose of the exercise, Council assumes that system expenditures in 1981-82 will equal total revenue, and estimates total operating revenue at \$1,170.1 million. Table A-1 provides details of 1981-82 revenues by type.

Formula and Non-Formula Grants

Table A-1 indicates that formula and non-formula grants equal \$917.9 million. This figure is derived by subtracting the \$5.0 million retained by the Ministry of Colleges and Universities for line-item grants and the \$0.6 million to be used for the grant-in-aid to the Bar Admission Course from the \$923.5 million in operating grants announced by the Minister on January 21, 1981.

Formula Fees and Other Fees

Following last year's methodology, Council's funding base includes only that fee revenue which is derived from formula fees and other fees. Any revenues accruing to the universities as a result of the application of their discretionary tuition fee power have been excluded from the base. The \$179.0 million for formula fee revenue used in the base is calculated by applying the 1981-82 formula fee rates to 1980-81 enrolment and adjusting for the predicted increase in enrolment for 1981-82 (a 3% increase in undergraduate enrolment and a 2.5% increase in graduate enrolment). This figure includes supplementary foreign fee revenue and third-term graduate formula fees. The other fee revenue of \$13.3 million was calculated from the universities' budget reports for 1981-82.

Other Revenue

For 1981-82, the other revenue component of the funding base no longer includes revenue from municipal tax grants, gifts, donations and non-government grants. Other revenue includes Ministry line-item grants of \$5.0 million and an estimated \$54.9 million in other sources of revenue. The latter amount was derived from the universities' reports on budgeted revenues for 1981-82.

Table A-I

**University System Revenues
1981-82 Estimate
(\$ millions)**

Formula and Non-Formula Grants*	917.9
Formula Fees	179.0
Other Fees	13.3
Other Revenue**	59.9
Total	1,170.1

* Excludes Ministry line-item grants and Bar Admission Course grant-in-aid.

** Includes Ministry line-item grants.

81-III Polytechnic Education in Ontario

In a letter dated September 22, 1980, addressed to the Chairman of Council, the Minister of Colleges and Universities noted that "For some time there has been widespread discussion about the definition, the nature and the role of polytechnic education in Ontario." In order to "clarify the framework and move to a more effective manpower planning strategy", the Ministry of Colleges and Universities (MCU) had financially assisted the completion of a study by Mr. A. Wilkinson (Dean of Community Services, Ryerson Polytechnical Institute) entitled *A Comparison of Polytechnical Education in England and Wales with Polytechnical Education in Ontario*. Also, MCU staff had prepared a "green paper" (entitled *Polytechnic Education in Ontario*), the purpose of which was "to provide information and stimulate discussion and response". The Minister went on to state that:

Following a compilation and review of the responses, it is my intention to ask the Ontario Council on University Affairs for advice before moving to finalize a policy direction in this critical area of polytechnical education.

Consequently, on April 8, 1981, the Minister transmitted to Council copies of the briefs submitted in response to Polytechnic Education in Ontario and asked for "advice on the matters raised in the discussion paper and the briefs received".

Council has carefully reviewed the MCU Report and the sixteen responses submitted,¹ and is now prepared to provide comment upon certain prominent issues discussed in the report and some of the responses to those issues. It should be noted at the outset, however, that Council will be concentrating on those matters which pertain most directly to those institutions immediately within its purview. These matters are discussed under the following headings:

- (a) Identifying Polytechnic Education,
- (b) The Effects of Stratification,
- (c) Creation of a Third Stratum,
- (d) Consultation and Coordination, and
- (e) Applied Research.

Identifying Polytechnic Education

In the MCU Report, an etymological approach is adopted which suggests that "polytechnic" education "denotes a broad, more or less comprehensive coverage of fields of study with the added dimension that this meaning combines theory and applications".² Using the polytechnics of England and Wales as a model, the Report compares their program offerings with the degree and diploma programs offered by the colleges and universities in Ontario,³ and concludes that "The program coverage of Ontario post-secondary institutions is 'polytechnic' in breadth".⁴

Many of the respondents to the report indicated some dissatisfaction with the approach adopted, often for quite different reasons. The Council of Ontario Universities (COU), for example, suggested "that to adopt a precise definition of polytechnic education would be to limit the diverse and exciting programme possibilities which exist".⁵ The President of

1. For a complete list of the individuals and organizations who submitted briefs, see Appendix A.

2. MCU, *Polytechnic Education in Ontario*, p. 4.

3. See Appendix A of the report.

4. MCU, *op. cit.*, p. 11.

5. COU, *Response to Polytechnic Education in Ontario*, p. 1.

Connestoga College, on the other hand, argued that "The question of whether the present system is 'sufficiently polytechnic' is unaddressable (without) a clear definition of polytechnic".⁶ Ryerson Polytechnical Institute devoted an entire chapter to "The Position of Polytechnic Education" and suggested that, while there was a broad definition of polytechnic education, there were in fact distinctly different forms "distributed across the different post-secondary constituencies - universities, C.A.A.T.'s, Ryerson, Ontario College of Art and the agricultural colleges".⁷

Council, for its part, sees the need to establish, at least for purposes of discussion, an operational definition of polytechnic education and has itself posited, in Advisory Memorandum 80-IV, the following delineation:

Polytechnical education, defined in its broadest sense, is concerned primarily with the application of knowledge and the training of individuals for specific vocational purposes. Some varying portion of each program of study may be devoted to education in the liberal arts and sciences. Similarly, there may be variations in terms of depth of study and degree of theoretical analysis. However, despite these differences, polytechnical programs share a vocational orientation.⁸

While not anticipating universal acceptance of its definition, Council has not seen anything in either the Ministry's Report or the responses, which would lead to any significant alteration. *On this basis, Council concurs with the judgement expressed in the report that program coverage in Ontario institutions is polytechnic in scope.*

*Further, Council wishes to emphasize the observation contained in the report that "Even in the university system, there is a heavy commitment to professional and career-oriented study".*⁹ As the Committee on the Future Role of Universities in Ontario (CFRUO) has pointed out, "there are many disciplines that relate to work opportunities and that provide the underpinnings for entire industries".¹⁰

The suggestion put forward by the Ontario Association of Certified Engineering Technicians and Technologists (OACETT) that university programs, even in the field of engineering, are "10% skill" and "90% theory"¹¹ is not, in Council's view, an accurate description of the nature of these types of programs at the university level. Similarly, Council cannot accept Ryerson's statement that "university polytechnic programs have a dominant emphasis aimed at producing graduates for the creation of new knowledge, new products and new systems".¹² Practical, vocationally-oriented, polytechnic education is an integral part of many programs of study at the university level.

The Effects of Stratification

One of the more important questions asked by the MCU Report is "whether by layering post-secondary education into a 'college' stratum and a 'university' stratum, we are depriving students of opportunities to combine theoretical and practical studies".¹³ The report then attempts to respond by examining three particular fields of study; Engineering and Engineering Technology, Business and Business-related Studies and Computing, Data Processing and Related Studies. It notes that a "middle or bridging stratum already exists at

6. Letter from Mr. K. E. Hunter to Dr. H. K. Fisher, January 6, 1981, p. 2.

7. Ryerson Polytechnical Institute, *Report of the Ryerson Commission on Polytechnic Education*, p. 15.

8. OCUA, *Seventh Annual Report*, p. 126.

9. MCU, *op. cit.*, p. 11.

10. CFRUO, *The Challenge of the '80s*, Vol. I, p. 11.

11. OACETT, *Response to the Ministry of Colleges and Universities on "Polytechnic Education in Ontario"*, Figure 1.

12. Ryerson, *op. cit.*, p. 17.

13. MCU, *op. cit.*, p. 11.

Ryerson and Lakehead"¹⁴ in the Engineering area, that the field of Business Studies has "multiple overlapping strata with possibilities for many different permutations and combinations of studies",¹⁵ and that "we have in the (computing) industry a continuum of skills, and the supporting educational programs are also de facto continuous".¹⁶ In each case, however, the report suggests that there is a possible need for expanded or strengthened "bridging" mechanisms.

The report then examines available data and surveys in order to determine if there are shortages of graduates in particular polytechnic fields of study. It utilizes the results of surveys conducted by Employment and Immigration Canada, the Ontario Manpower Commission, the federal Public Service Staff Relations Board, and the Economic Council of Canada. After consideration, the Report concludes that:

...most of the current shortages appear to be in the trades or skilled worker categories. In the professional and semi-professional occupations for which the universities, the polytechnics and CAAT post-secondary programs prepare people, most fields appear to be in a general demand/supply equilibrium. However, the surveys generally converge on a few areas where shortages exist, namely engineering, accounting and other business careers and computer-related occupations... If (such) needs are not met, the problem may be a function of limitations on institutional capacity rather than gaps in programming.¹⁷

The responses support, almost unanimously, the survey results and perceptions enunciated in the report concerning manpower needs. The Committee of Presidents of Colleges of Applied Arts and Technology states that "The Ontario Colleges...have a delivery system which presently meets the applied post-secondary needs of Ontario".¹⁸ COU notes that "Ontario post-secondary programmes in business and business-related studies, in computing, data processing and related studies, and in the health sciences cover the range from theoretical to applied in varying degrees of breadth and depth".¹⁹ In addition, seven of the eight college submissions specifically endorse the manpower needs identified. Ryerson, on the other hand, suggests that the MCU Report "bases its assessment of the province's polytechnic position vis-à-vis manpower requirements largely upon where we are now" and offers, as an alternative, certain speculated "medium term manpower needs".²⁰

With almost equal unanimity, the responses agree that "It is possible that the reason for the shortages of tradesmen in the province of Ontario is that the colleges' mandate did not include apprenticeship training on the same basis as other post-secondary programs".²¹ As the submission from Centennial College notes, "With the close industry interface enjoyed by the CAAT's they are in a unique position to rapidly supply skilled manpower in shortage areas, provided that the necessary educational/financial resources are made available to them".²² Several submissions also mentioned the potential benefits of strengthened local advisory committees.

With respect to future manpower needs, Council recognizes that many colleges and

14. *Ibid.*, p. 14.

15. *Ibid.*, p. 22.

16. *Ibid.*, p. 28.

17. *Ibid.*, p. 37.

18. Committee of Presidents, *Polytechnic Education in Ontario*, p. 5.

19. COU, *op. cit.*, p. 3.

20. Ryerson, *op. cit.*, p. 32-33. The eight projected needs are contained on pages 34 to 36.

21. Committee of Presidents, *op. cit.*, p. 1.

22. Centennial College, *Polytechnic Education in Ontario: Some Critical Comments*, p. 3.

universities have significant institutional capacity problems. At the same time, however, when certain manpower needs are clearly defined, both types of institutions will do their best to respond. The universities, for example, were able to accommodate an increase in full-time undergraduate degree enrolment in engineering from 10,944 students in 1975-76 to 13,241 students in 1980-81, an increase of 21%. Similarly, the universities accommodated a 123% increase in full-time undergraduate degree enrolment in commerce and business administration, from 6,061 students in 1975-76 to 13,500 students in 1980-81.²³

Both the colleges and the universities must, however, exercise caution when responding to changes in student demand. Institutions cannot assume that certain short-term enrolment shifts will continue in perpetuity and must ensure that the projection of future manpower needs will not be allowed to create over-production or under-production problems in the future.

Council is convinced that existing needs can be met by the existing post-secondary system and that future needs can be met by institutional flexibility within that system. There may be relatively short-term shortages or surpluses of graduates of certain programs, but usually these will be reflections of general economic conditions and thus not a consequence of any structural weakness of the Ontario system.

Creation of a Third Stratum

In general, the MCU Report sees the possible creation of a formal "third stratum" in terms of the establishment of "polytechnics" on the Ryerson model - that is, institutions which would have a significant commitment to both diploma and degree level studies. They would be created, according to the Report, by either:

- (a) "the expansion of some of the (CAAT) three-year programs in technology to four-year programs",²⁴ or
- (b) "formally merging colleges and universities that have complementary theoretical/practical strengths".²⁵

Council notes that the report does not mention the possibility of one or more universities undertaking a major thrust into diploma level programming as a further option.

Among the responses to the Report, there is little support for the establishment of a new, formal "polytechnic" stratum. As the submission from Loyalist College states, "it does not seem advisable to encourage another stratum of technical educational institutions funded by the public purse resting somewhere between the CAATs and the universities".²⁶ Similarly, the Chairman of the Board of Governors of Sault College suggested that the MCU paper failed "to justify the need to expand the third layer of post-secondary education in Ontario".²⁷

The reasons given for the undesirability of a formalized approach are many and varied. The Committee of Presidents suggests that "the addition of more fundamental theoretical studies to the colleges curriculum, or more practical and applied studies to the universities could detract from the purpose of both".²⁸ Centennial College argues that the creation of a new stratum would "put in question the worth of a CAAT diploma"²⁹ and "The arbitrary elevation of a few colleges to a new, middle level would demoralize the faculty, staff, students and communities served by the other colleges".³⁰ Even the MCU Report itself

23. Statistics Canada.

24. MCU, *op. cit.*, p. 15.

25. MCU, *op. cit.*, p. 56.

26. Buckley, E.J. and Colford, G.D., *Report on Polytechnic Education in Ontario*, p. 2.

27. Letter from Mrs. M.A. Dobie to Dr. H.K. Fisher, January 29, 1981.

28. Committee of Presidents, *op. cit.*, p. 3.

29. Centennial College, *op. cit.*, p. 3.

30. *Ibid.*, p. 4.

contains trenchant criticisms of such a scheme, including "a great danger that an expanded polytechnic stratum will cause resources to be shifted to degree programs at the expense of diploma programs that cater to skilled manpower needs".³¹

Council is convinced that there is no advantage to be gained by the creation of a formal third system of "polytechnical" post-secondary institutions.

Consultation and Coordination

While rejecting the notion of a formal "third stratum", Council is equally convinced of the need for expanded and strengthened informal mechanisms for consultation and co-ordination.

Throughout the MCU Report there is ample evidence of the need for what the Ontario College of Art has termed "co-operation among institutions towards joint programmes and coordination of programmes in disciplines where such are appropriate".³² In its consideration of programs in Business and Business-related Studies, the report noted "considerable" overlap between institutions and asked "whether the extensive overlap does not indicate duplication and is not an argument for more consultation and co-ordination between the levels to ensure an adequate response to industrial needs".³³ Similarly, in examining programs in Computing, Data Processing and Related Studies, the report asks "In view of the continuous nature of the needs of industry, should the educational programs not be reviewed and possibly coordinated on a broader basis...?"³⁴ Also, in its discussion of "Educational Programs and the Professions", the report suggests "that more coordination in program planning between universities and colleges should be encouraged in career-oriented programs".³⁵

The respondents are equally clear on the need for greater "interface". Ryerson, for example, supports the report's proposal for the "establishment of program coordination mechanisms between colleges and universities in fields of high manpower demand and where the nature of the studies is 'applied' and continuous".³⁶ The Ontario Confederation of University Faculty Associations notes that "Greater co-ordination between colleges and universities in such programs as business, medical technology, computer studies, and fine arts is needed".³⁷ Similarly, COU is:

...prepared to acknowledge that the universities should be vigilant and energetic in attempting to assess and fill societal needs in the polytechnic area in Ontario, not only for degree programmes, but also for diploma and certificate programmes. More coordination and communication is essential. COU will encourage its members and cooperate with (MCU) in this regard.³⁸

There is, however, no consensus on the nature and extent of the program "bridging" which is required. Ryerson, for example, argues that polytechnic education "faces a managerial crisis, which almost certainly requires intervention by government to establish a process through which polytechnic programs across the system may be planned and implemented in a rational way...".³⁹ It then goes on to suggest two options for the exercise of such intervention: an "Advisory Council on Polytechnic Education" which "would function in relation to polytechnic programs in a manner analogous to the OCUA's present

31. MCU, *op. cit.*, p. 55.

32. Letter from Dr. P.D. Fleck to the Minister of Colleges and Universities, January 12, 1981, p. 1.

33. MCU, *op. cit.*, p. 22.

34. *Ibid.*, p. 28.

35. *Ibid.*, p. 48.

36. Ryerson, *op. cit.*, p. 55.

37. Letter from Dr. S.J. Shorten to Dr. H.K. Fisher, January 30, 1981, p. 1.

38. COU, *op. cit.*, p. 4.

39. Ryerson, *op. cit.*, p. 5.

mandate vis-à-vis university programs...”,⁴⁰ or an “Ontario Committee for Applied Education” which would provide informational and planning resources to the Ministry, to the OCUA and the Council of Regents and to post-secondary institutions”, and “would also provide advice on future educational development needs in its sphere of reference”.⁴¹ The two mutually-exclusive bodies proposed by Ryerson would, however, each operate in an advisory capacity to the Minister.

The Committee of Presidents, on the other hand, suggests:

Consultation and coordination are essential between educational institutions which need to interact without overlapping or being discontinuous, but it is essential that such coordination does not become bureaucratic, nor dominated by any one particular group.⁴²

Most of the college responses echo this concern and suggest that a desirable level of coordination would “be accomplished by more liberal transfer credit and course equivalency arrangements”.⁴³

Council is reminded of the fact that external program review and approval is an integral part of most polytechnic education. At the CAAT level, proposals for new or modified educational programs are reviewed by the Council of Regents in consultation with Ministry staff and appropriate advisory bodies, and must be approved by that Council before being offered. At the university level, approval by the Minister, upon the advice of OCUA, is required for all new professional and graduate programs, for funding purposes. Ryerson is required to follow certain procedures in order to obtain approval by the Minister, on the advice of OCUA, for the funding of existing, unauthorized, degree programs or for the funding of any new degree or diploma program. Thus, for the most part, proposed polytechnic programs are reviewed by either OCUA or the Council of Regents and are not likely to be approved without evidence of prior appropriate consultation.

There are, however, two particular types of polytechnic programs which may be perceived as representing “gaps” in the program review process.

First, there are programs offered jointly by a college and a university leading to the awarding of both a diploma and an undergraduate degree. In its submission, COU presented information on thirteen such programs and reported that “a number of other cooperative academic ventures (are) currently under discussion with the colleges”.⁴⁴ While the college component of such programs is reviewed by the Council of Regents, there is no review process in place for the university component.

Second, many polytechnic programs at the university level are likely to fall within the category of “quasi-professional” programs. As defined by Council, this category “consists of programs which are neither ‘core’ Arts and Science subjects nor strictly professional disciplines”.⁴⁵ Since they are undergraduate programs, and are not in recognized professional areas, they do not require approval by the Minister (and OCUA review) prior to being funded.

With regard to joint programs, Council is aware that Ryerson feels “very strongly that there should be formal review and approval by OCUA and the Council of Regents of any programs in the polytechnic field which are jointly developed by a university and a community college”.⁴⁶ Given the rigorous review process to which all of Ryerson’s programs

40. *Ibid.*, p. 58 - 59.

41. *Ibid.*, p. 60.

42. Committee of Presidents, *op. cit.*, p. 4.

43. “Minutes of an Ad Hoc Committee of the Board of Governors of Canadore College of Applied Arts and Technology concerning Polytechnic Education in Ontario”, December 9, 1980.

44. COU, *op. cit.*, p. 5.

45. OCUA, *Seventh Annual Report*, p. 61.

46. Ryerson Polytechnical Institute, *Brief to the Ontario Council on University Affairs*, March 13, 1981, p. 11.

are subjected, Council can sympathize with that institution's desire to see equivalent rigour applied to the approval of similar programs at other institutions.

In Council's opinion, joint programs are of more direct concern to the Council of Regents than they are to OCUA. There is more danger of such programs representing a threat to the integrity of the colleges than to the universities. As the President of Confederation College notes:

...there is mention of 'bridging' between college and university programs. This sounds innocuous and acceptable, but extensively used, would simply result in the colleges becoming 'feeders' for the university system.⁴⁷

For these reasons, Council has recently reached an informal understanding with the Chairman of the Council of Regents concerning the review of all new proposed joint CAAT/university programs. Under this arrangement, if it is approved by the Council of Regents, that body will first review the college component of the proposed program. If requested by that Council, OCUA will provide advice on any matters arising from the proposal. In special circumstances, an ad hoc joint Council of Regents/OCUA advisory committee may be created. Thus, an appropriate review process will occur.

With regard to "quasi-professional" polytechnic undergraduate programs, Council has noted Ryerson's concern that such programs could undermine the Institute's position within the post-secondary system. Council notes as well, that COU has recently established an informal "Committee of Vice-Presidents, Academic" in order to facilitate the exchange of information concerning new undergraduate programs proposals. Such an exchange would assist in identifying areas for new initiatives and assessing new proposals in light of anticipated needs. Since a representative of Ryerson is now serving as a member of that Committee, *it would appear that the difficulties associated with "quasi-professional" programs might be resolved within COU.* Should this prove not to be the case, then it may be necessary for the Minister to require that such programs be formally submitted for funding approval.

Applied Research

The MCU Report points out that "At the present time research is not part of the mandate of either Ryerson or the colleges..."⁴⁸ The report goes on to suggest, however, that recent indications of significant increases in research and development activity in Canada may give rise to the possibility of extending the mandate of Ryerson, and perhaps some of the colleges, to include certain research functions. The report also states, however, that:

Such a move would not appear to be justified without a careful study of staffing and the resource implications. It should not be contemplated unless there is a clear indication of a definite and massive increase in research and development activity in Canada.⁴⁹

Ryerson has, for some time, advocated the expansion of its mandate to include a form of applied research. In its response to the MCU Report, the Institute is quite explicit:

... we firmly believe that it is...appropriate and necessary that Ryerson have an in-house applied research environment in order to motivate students, to expose them to the process of technological development as part of their learning experience, and to provide faculty with on-going research opportunities with industry.⁵⁰

47. Letter from Mr. B.E. Curtis to Dr. H.K. Fisher, December 31, 1980, p. 3.

48. MCU, *op. cit.*, p. 49.

49. *Ibid.*, p. 50.

50. Ryerson, *Report of the Ryerson Commission on Polytechnic Education*, p. 50.

The question of expanding institutional mandates to include research, insofar as it pertains to the colleges, comes under the purview of the Council of Regents. As far as the question pertains to Ryerson, OCUA has commented, in Advisory Memorandum 80-IV ("The Role of Ryerson Polytechnical Institute") as follows:

Council recognizes the important position which the Institute occupies within the Province's post-secondary educational system and the effective way in which it has discharged the responsibilities associated with that position....

Given the position which the Institute occupies...and the specific academic orientation of its faculty, Council believes that Ryerson, as an institution, should not have a direct responsibility for either applied or basic research. The words "as an institution" in the previous sentence have a specific meaning in Council's view. They imply that Ryerson, unlike the universities but like the CAATs, should not be funded for the direct or indirect operating costs of research that are normally met from Government of Ontario operating grants to institutions with acknowledged roles in both basic and applied research. Instead, Ryerson must be recognized as an institution devoted to instructional activities and the maintenance of effective liaison with the public and private sectors - within which the Institute's graduates will work.

The faculty at Ryerson should be encouraged to do work "in the field". If an industry or government agency wishes to have testing or evaluation done at Ryerson, the service should be offered on a complete cost recovery basis.⁵¹

Epilogue

Council is aware that, in the preceding pages, it has not dealt directly with certain specific issues concerning polytechnic education.

The question of transfer credits, for example, lies within the realm of institutional disposition and it would be presumptuous for Council to infringe upon an area of institutional autonomy without extreme care and significantly greater preparation. Council is satisfied that the universities will consider the question of "liberalization" in this matter with due regard to the points raised by many of the CAAT respondents. In addition, COU continues to monitor this area of concern.

Council is glad to have the opportunity, however, to re-affirm its conviction that Ontario's post-secondary educational institutions are providing, in general, high quality and broadly comprehensive polytechnic education. While more can be done, the ability and willingness of the post-secondary system to provide as much excellence as resources permit cannot be questioned.

W.C. Winegard
Chairman
June 19, 1981

51. OCUA, *Seventh Annual Report*, p. 128.

Responses to “Polytechnic Education in Ontario”

Provincial Organizations:

- Committee of Presidents of Colleges of Applied Arts and Technology
- Council of Ontario Universities
- Ontario Association of Certified Engineering Technicians and Technologists
- Ontario Confederation of University Faculty Associations

Colleges of Applied Arts and Technology:

- Canadore College
- Centennial College
- Conestoga College
- Confederation College
- Loyalist College
- Mohawk College
- Sault College
- Sir Sanford Fleming College

Other Respondents

- Ontario College of Art
- Mr. S. Mitminger
- Mr. G. Sinclair
- Ryerson Polytechnical Institute

81-IV Funding for the Undergraduate Program in Geological Engineering at the University of Waterloo

In March 1980, Council received a formal request from the University of Waterloo that Council "approve the establishment of an undergraduate program in Geological Engineering at the University of Waterloo and recommend to the Ministry of Colleges and Universities that the normal Basic Income Unit formula funding be provided for this program". This request was accompanied by documents which outlined the program and provided answers to the questions raised by Council in Advisory Memorandum 77-V when considering funding for the Mining Engineering and Mineral Processing Engineering programs at Laurentian University.

Upon receipt of the request, Council forwarded the complete proposal to the Council of Ontario Universities (COU), requesting the advice of COU and the Committee of Ontario Deans of Engineering (CODE) before making any decisions about the program. Council stated that:

Such advice should cover the questions of need for the program, the ability of the University to offer the program, the appropriateness of having the program at that institution, the availability of the program elsewhere, etc. At a time of serious underfunding in the system, it would be helpful to know the reactions to the program from institutions with similar programs.

In December, Council received COU's response to Council's request for advice, along with comments received by COU from several universities with engineering programs CODE, and the Association of Professional Engineers of Ontario (APEO).

In its response, COU outlined its findings regarding the need for the program (labour market demand and student demand), the ability of the University to offer the program, the availability of the program elsewhere, and the appropriateness of having the program at the University of Waterloo. However, COU expressed difficulties in dealing with the matter and did not make any specific recommendation regarding funding for the program.

First, we have not yet reached a firm position on whether it is appropriate or feasible for COU to make judgments on individual academic programmes in relation to institutional roles....Secondly, if COU were to undertake to make such judgments it has as yet no adequate mechanism (such as ACAP) for assembling data and making informed judgments on undergraduate programmes. In these circumstances our Council has found itself dependent largely on comments from those whose legitimate vested interests are not necessarily compatible with the interest of Waterloo, an approach that is clearly open to criticism. Our advice, therefore, does not include a specific recommendation for or against funding.

In the letter COU also stated that the question of COU's role in the review of new program proposals at the undergraduate level requires much discussion, both within COU itself and between COU and Council, before being satisfactorily resolved.

In view of COU's letter, and the various concerns that were expressed in the submissions to COU, Council felt it necessary to seek additional advice. Council therefore appointed two consultants, Dr. Arthur N. Bourns (former President of McMaster University)

and Dr. J. Percy Smith (former Vice-President, Academic of the University of Guelph), to advise Council on the program.

The report of the consultants, received on April 8, 1981, has been very helpful to Council.¹ The consultants had available to them all the documentation that Council had received. They decided to test and appraise the "three principle arguments" put forward by the University of Waterloo:

- i) that the demand in Canada for graduates of such a program as the one proposed is strong enough to warrant its being offered;
- ii) that the University of Waterloo program will be exceptionally strong;
- iii) that the co-operative nature of the program will markedly increase that strength.²

In carrying out their assessment, the consultants interviewed "senior executive officers of six major corporations that employ large numbers of engineers in operations including exploration, mining, petroleum development, and hydro-electric generation", the heads of two consulting firms concerned with geotechnical engineering, and the President and Vice-President, Academic of the University of Waterloo, and "conferred with appropriate officers of two large universities outside Ontario". They also reviewed, "in so far as was possible", literature dealing with the employment situation in this area of engineering, as well as a report dealing with the geological sciences in Canada.³ The consultants concluded by recommending that the program be funded and summarized their findings as follows:

- i) While manpower demand is difficult to assess and is in any case subject to relatively rapid change as the economic and political situation changes, we believe that there is currently a need in Canada for more geological engineers with geotechnical specialization, and that the need will grow through the next decade.
- ii) While we have noted certain reservations that were expressed to us in regard to the proposed program, and we believe that the University of Waterloo ought to consider them seriously, it is clear that Waterloo, with its particular strength in geohydrology, is well equipped to provide a strong program in geological engineering with a geotechnical emphasis.
- iii) The co-operative nature of the proposed program is a very considerable asset.

Council reviewed the program in geological engineering based on the submissions received. In its deliberations, Council considered such criteria as quality, institutional appropriateness of the program, need and duplication, as well as whether the program would require any additional resources.

With respect to both quality and institutional appropriateness, the strength of the University of Waterloo in engineering is well recognized. It is also clear that the University has particular strength in the geotechnical, especially geohydrological, area. In their report, the consultants stated:

There was general recognition of the high reputation that Waterloo enjoys for its engineering programs, and - in relation to the proposal - its formidable strength in hydrology and hydrogeology.

In its proposal, the University of Waterloo stated that it was in the area of geotechnical engineering and geohydrology that it would be able to excel with little or no change in existing offerings.

1. The report of the consultants has been included as Appendix A to this memorandum.

2. Consultants' Report, page 1.

3. E. R. W. Neale and J. E. Armstrong, *The Geological Sciences in Canada, 1979, Part One: Geology and Geophysics in Canadian Universities*, Ottawa, 1981.

While acknowledging the general recognition of Waterloo's particular strengths, the consultants noted the main reservations which had been expressed about the program itself:

The principal reservations, however, had to do with the danger that the program may not be sufficiently well-focussed that "Waterloo is in danger of attempting to be all things to all men and will fail," and that the program does not clearly recognize the special strength in hydrology and hydrogeology and build on it.

However, as indicated in their summary points listed above, while the consultants felt that the University should consider seriously the reservations that had been expressed, they believed that Waterloo could offer a strong program in geological engineering with a geotechnical emphasis.

Council shares the views of the consultants with respect to quality and institutional appropriateness. Council is convinced that the University of Waterloo is capable of offering a high quality program in geological engineering emphasizing geotechnical and geohydrological engineering, and that this type of program is appropriate given Waterloo's existing strengths. However, Council is concerned about the reservations expressed regarding the focus of the program and agrees that the University should consider them seriously. Waterloo should modify its program to focus more clearly on its geohydrological strengths.

With respect to need, Council accepts the conclusion of the consultants that there is a need in Canada for more geological engineers with a geotechnical specialization and that this demand will increase over the decade. Council also notes, however, that the three existing programs in Ontario have excess capacity. Two of these programs have options in geotechnical engineering and the third has some offerings in this area. Given this excess capacity situation, Council could not support the introduction of another broadly-based program in geological engineering. However, Council believes that Waterloo is able to offer a well-focused, strong program emphasizing geotechnical, and in particular geohydrological, engineering that would not represent a duplication of existing program configurations. Council also notes the conclusion of the consultants that: "The co-operative nature of the proposed program is a very considerable asset." The consultants also indicated that Waterloo has been able to attract many students for the first year of the proposed program. Council has concluded from all of the above that the Waterloo program will help to fill a need in Canada.

In conclusion, Council believes that the University of Waterloo has the capability to offer a strong program in geological engineering with a geotechnical emphasis and that such a program would be well-placed at the University. Council has received the assurance of the University of Waterloo⁴ that it does not intend to offer a multi-faceted program in geological engineering but rather one emphasizing geotechnical, especially geohydrological, engineering. In this connection, Council must reiterate its caution to Waterloo regarding criticisms about the focus of the program. Council has also received Waterloo's assurance that the faculty and staff resources are already in place and that no additional capital resources are required. Council therefore concludes that an undergraduate program in geological engineering, with the affirmed emphasis on geotechnical and in particular geohydrological engineering, should be offered and funded at the University of Waterloo. Council accordingly *recommends to the Minister:*

4. See Appendix B.

OCUA 81-10

*FUNDING FOR THE UNDERGRADUATE PROGRAM IN GEOLOGICAL
ENGINEERING AT THE UNIVERSITY OF WATERLOO*

THAT an undergraduate program in geological engineering, emphasizing geotechnical and, in particular, geohydrological engineering, at the University of Waterloo be deemed eligible for formula support beginning in 1982-83 and that all eligible enrolment from 1981-82 on be included in the appropriate moving average of the institution.

W.C. Winegard
Chairman
June 19, 1981

**REPORT ON A PROPOSED PROGRAM IN
GEOLOGICAL ENGINEERING AT THE UNIVERSITY
OF WATERLOO, PREPARED FOR THE ONTARIO COUNCIL
ON UNIVERSITY AFFAIRS**

The following report is written in response to a request made by the Chairman of the Ontario Council on University Affairs for advice as to whether or not the Council should recommend to the Minister of Colleges and Universities that a new undergraduate professional program in geological engineering with a geotechnical orientation, proposed by the University of Waterloo, should be funded. A statement by the University of Waterloo outlining the proposal had been submitted by OCUA to the Council of Ontario Universities with a request that the latter body advise OCUA on the question of funding. COU had solicited comments from its member institutions and received responses from eight of them and also from the Association of Professional Engineers of Ontario and the Committee of Ontario Deans of Engineering. COU had, however, declined to make a specific recommendation on the subject of funding, being uncertain of the appropriateness of its doing so. The authors of this report were accordingly called in as consultants.

We had before us the University of Waterloo proposal together with various supporting documents prepared by the University, the comments of COU member institutions and of APEO and CODE, and the correspondence between OCUA and COU. Two of the institutions supported the proposal without reservation. One supported the proposed program but felt it should be offered elsewhere than at Waterloo. Six expressed misgivings of various kinds and degrees, a main point of concern being that the well-established programs at Queen's and Toronto and the newer one at Windsor have available student places. APEO and CODE questioned the need for the program, but made no recommendations.

In support of its proposal, the University of Waterloo offered three principle arguments:

- i) that the demand in Canada for graduates of such a program as the one proposed is strong enough to warrant its being offered;
- ii) that the University of Waterloo program will be exceptionally strong;
- iii) that the co-operative nature of the program will markedly increase that strength.

It appeared to us that these were indeed the propositions to be tested in order for a recommendation for or against funding to be well based. In order to appraise them, we interviewed senior executive officers of six major corporations that employ large numbers of engineers in operations including exploration, mining, petroleum development, and hydro-electric generation, as well as the heads of two firms of consultants concerned with geotechnical engineering. Most, though not all, are based in Ontario; all but one are nation-wide in their interests. We conferred with appropriate officers of two large universities outside Ontario and we reviewed, in so far as was possible, reports and other literature relevant to the employment situation in the field of engineering in question. And we interviewed the President and the Vice-President, Academic, of the University of Waterloo.

As is usual in the field of manpower, it is difficult to obtain or make predictions with confidence, except in terms that are unsatisfactorily broad. The problem in the engineering profession is probably even more difficult than in other professions because no accurate data base has been established. In its most recent issue (March 1981) *Engineering Manpower News*, a publication of Canadian Council of Professional Engineers, quotes the 1970 report *Ring of Iron* on the "dearth of data concerning the number of engineers, where they came from and to what level or in what specialties they are educated," and the News goes on to say, "There is still 'a dearth of data!'" The occasion for the comment was the

recent announcement of the plan to establish a Canadian Engineering Manpower Inventory.

In the circumstances, then, it is not surprising that comments made to us on the question of demand were somewhat varied. It became clear, however, that a demand exists and may be expected to increase in the petroleum industry, where the field of secondary and tertiary recovery calls for growing numbers of geological engineers, and the Alberta tar sands development requires engineers with a strong geotechnical background, especially in hydrology and rock mechanics. A somewhat analogous situation exists, though probably on a somewhat smaller scale, in the field of waste disposal and in large earth-moving projects, where expertise in geohydrology will be increasingly needed.

Geotechnical engineers are essential also in coal-mining, a field in which expansion is occurring. The consulting engineers with whom we conferred stated unhesitatingly that the demand for individuals with good qualifications in geohydrology and geotechnical engineering is strong, particularly in northern and western Canada. The fact that the University of Waterloo has been able to recruit twenty-six students for the first year of its proposed program, and indeed had to refuse admission to about as many as were accepted, suggests that the students themselves perceive an assured demand for their services.

Against those supportive facts we must note that both APEO and CODE were dubious as to the justification for the introduction of an additional program in geological engineering. We note also that the opinions reviewed in the preceding paragraph were linked with comments on the nature of the program itself. There was general recognition of the high reputation that Waterloo enjoys for its engineering programs, and - in relation to the proposal - its formidable strength in hydrology and hydrogeology. Reservations were expressed about its quality in soils mechanics, and it was suggested that some strengthening of that area is needed. The principle reservations, however, had to do with the danger that the program may not be sufficiently well-focussed, that "Waterloo is in danger of attempting to be all things to all men and will fail," and that the program does not clearly recognize the special strength in hydrology and hydrogeology and build on it. Misgiving was also expressed as to whether the program genuinely represented a "marriage" of geology with engineering, and whether there was some danger that it might come "under the thumb" of one of the principle disciplines involved in it.

In a recent wide-ranging report,¹ E.R.W. Neale and J.E. Armstrong comment on the employment picture and on the desirability of developing more joint undergraduate programs involving engineering and geology or geophysics. As to the former, they refer to the "excellent employment opportunities" for geotechnical graduates (p. 98); as to the latter, they emphasize the importance of close co-operation among the disciplines concerned. They make these recommendations, among others (p. 99):

Those universities with both engineering faculties and geology of [sic] geophysics departments which do not have joint undergraduate programs should make every effort to introduce such programs in order to produce geological and geophysical engineers to meet the growing demand from industry and government for those with such combined training.

Where universities include geotechnical scholars in their engineering faculties yet have no joint programs with geology or geophysics, every effort should be made to establish joint teaching and research endeavours in order to produce well-trained professionals in the rapidly growing field of geotechnics.

Finally, we found unanimous recognition of the great advantages that the University of Waterloo has already achieved through its co-operative approach to engineering education. In relation to geotechnical engineering, some persons whom we interviewed remarked that

¹ E.R.W. Neale and J.E. Armstrong: *The Geological Sciences in Canada, 1979, Part One: Geology and Geophysics in Canadian Universities* (Ottawa, 1981). Available from the Canadian Government Publishing Centre, Supply and Services Canada.

existing programs do not provide sufficient systematic training in field work, instrumentation, testing, and monitoring; and that summer employment of a more or less haphazard kind does not deal with this problem. One consulting engineer said bluntly, "Summer students are a one-shot affair and we do not waste too much time on them." There was an emphatic recognition that the "apprenticeship" aspect of Waterloo's co-op approach, providing for regular and sustained work in industry as part of the academic program, is invaluable to students and highly satisfactory to industry, and that these advantages could be expected to apply in geotechnical engineering as elsewhere.

In the report already referred to, Neale and Armstrong comment on the value of co-operative programs, in particular that at Waterloo, and go on to say (p. 34):

We suggest that geology and geophysics departments investigate the establishment of work term programs in co-operation with industry, following the lead of Waterloo and Victoria university geologists and geophysicists. These could be implemented through existing engineering co-op programs or initiated through faculties of science.

We sum up as follows:

- i) While manpower demand is difficult to assess and is in any case subject to relatively rapid change as the economic and political situation changes, we believe that there is currently a need in Canada for more geological engineers with geotechnical specialization, and that the need will grow through the next decade.
- ii) While we have noted certain reservations that were expressed to us in regard to the proposed program, and we believe that the University of Waterloo ought to consider them seriously, it is clear that Waterloo, with its particular strength in geohydrology, is well equipped to provide a strong program in geological engineering with a geotechnical emphasis.
- iii) The co-operative nature of the proposed program is a very considerable asset.

We recommend that the proposed program in geological engineering at the University of Waterloo be funded.

8 April 1981
Arthur N. Bourns
J. Percy Smith
(Consultants)

Appendix B

Dr. W.C. Winegard
Chairman
Ontario Council on University Affairs
100 Bay Street, 7th Floor
Toronto, Ontario
M5H 2T8

Dear Dr. Winegard:

Further to our proposal to establish a program in Geological Engineering as part of our total Engineering program at Waterloo, I wish to re-affirm our emphasis on geotechnical aspects especially geohydrological engineering.

It is not our intention to offer a multifaceted geological engineering program to include other aspects as, for example, mineral exploration. Of course, the individual courses in the program may cover a wider range but only in support of the central thrust which is geotechnical.

As you know, we have real strength in this area and intend to maintain that emphasis and not to build up our resources in all areas of geological engineering.

I hope this re-affirmation will be helpful to you and your Committee in reaching a decision on our proposed program in Geological Engineering.

Sincerely,

B.C. Matthews
President

BCM:jo

81-V Supply of and Demand for Graduates of Certain Professional Programs in Ontario

On May 25, 1981, the Minister of Colleges and Universities wrote to the Chairman Council as follows:

As you know the government is concerned about the supply of university-educated manpower in the scientific, engineering and professional fields. It is felt that the economic welfare of this province will be dependent on the ability of the educational system to train engineers, scientists and other professionals in sufficient numbers to respond to the demand coming from the various sectors of economic activity.

The Policies and Priorities Board of Cabinet has directed the Ministry of Colleges and Universities, in consultation with the Ontario Council on University Affairs, to explore options and develop an action plan to meet forecasted professional manpower shortages in the short and long-term. The conversion of an existing university facility to a high technology training centre is one of the options to be considered.

Council, by way of this memorandum, is providing the Minister with advice on the various issues raised in her letter.

Since the Policies and Priorities Board has requested that the Ministry report by the end of July, 1981, Council has been forced to restrict the scope of its consideration. Although general concern has been expressed with regard to the future supply of university graduates in the "scientific, engineering and professional fields", it would appear that certain discipline sectors are of particular concern. Council has decided to focus on university programs in engineering, commerce and administration, and computer science.

Despite the wide range of programs available within each discipline area (certificate, diploma, bachelors, graduate diploma, masters and doctoral), and the number and variety of sub-disciplines incorporated within each general area, Council has been compelled to adopt a macroscopic approach in its considerations. Further, Council is aware that its treatment of each discipline area may connote a degree of homogeneity which does not in fact exist. Wherever possible, differentiation by level of study and/or by sub-discipline has been attempted. In general, however, Council has restricted its discussion to two levels of study: undergraduate and graduate.

Council has examined currently available estimates of short and long-term demand made by public organizations and authorities. Since formal reports were not always available, Council has also attempted to gather informal estimates from knowledgeable persons familiar with certain discipline areas or with specific industrial sectors. For these reasons, the availability of information, and its comprehensiveness, varies considerably among the three discipline areas considered by Council.

At the same time, Council is mindful of the unreliability of manpower projections in general and of the need to treat such studies with extreme caution. The problems associated with forecasting manpower demand are manifold. As the Canadian Engineering Manpower Council has noted,

It is extremely important to remember, in drawing conclusions from reports of this kind, that they are necessarily based on assumptions, the validity of which

can change very quickly. Caution therefore is required in their interpretation. For example, the indices of manpower requirements are based on the authors' past experience, and changing conditions in the market place may well alter the value of these indices to a significant degree.

Examples of problems arising from faulty manpower projections during the 1970's include the following:

- (a) an apparent oversupply of nurses led to the reduction of enrolment in nursing schools which, in turn, has resulted in an apparent undersupply,
- (b) expansion of enrolment in teacher education programs was encouraged by Government in the mid '70s followed by a decrease in elementary and secondary school enrolments and an over-supply of teachers.

In addition, Council wishes to express concern with the assumptions adopted by many of the forecasting agencies. Often demand is projected on the basis of perceived significant increases in activity in certain industrial sectors (e.g., energy mega projects and micro-technology expansion). Recent developments would suggest that some caution should be exercised in that such increased activity, although planned, may be deferred as a result of circumstances which can not be anticipated. Thus Council has questioned the specificity of many of the manpower projections. It has examined and treated them more as indications of possible developments or general trends.

Finally, virtually all of the manpower projections examined by Council considered the question of need from a national perspective. Interpreting the results of such projections in terms of Ontario's future needs has often proven difficult and has, in Council's mind, greatly increased the margin of error assumed to exist. On past occasions, Council has been assured by the Minister that the movement of university graduates to other provinces is not a matter of concern to Government; indeed, Ontario perceives that it has a national role to play in this regard. For present purposes, Council assumes that this policy will be continued.

Concerning estimates of future manpower supply, Council feels it is in a much more secure position. Extensive consultation with the Ministry, the Council of Regents and, in particular, the Council of Ontario Universities (COU) has been of considerable assistance. COU, for example, upon receipt of a request from Council for appropriate information, surveyed its members to determine not only "the changes that have occurred in university enrolment in (the) three areas during the past five years", but also "the existing capacity of the universities to expand further in these areas". The data submitted by COU were very extensive and Council wishes to express its appreciation to COU and its member institutions for their cooperation. Council has also received some data on enrolment and future plans from the other provinces.

In the following three sections, therefore, Council presents its analysis of estimated supply and demand, and possible methods of increasing supply, in each of the specified areas.

ENGINEERING

With respect to demand, Council's principal sources have been a report published by the Technical Service Council, *Supply of and Demand for Engineers in Canada*, and a report prepared for the Canadian Council of Professional Engineers entitled *Engineering Manpower Requirements 1980-2000 for Major Energy-Related Projects in Canada*. Council has also conferred with individuals from various relevant organizations and reviewed other literature pertaining to the demand for engineers in Canada, such as *Labour Market Development in the 1980's*, a report of the federal Task Force on Labour Market Development prepared for the Minister of Employment and Immigration. Supply side information was

obtained from the sources mentioned in the introduction, the Technical Service Council report and the Canadian Engineering Manpower Council.

In general, all relevant sources indicate that there currently exists a strong demand for engineers in Canada and that this situation will continue in the short-term. The Technical Service Council report estimated that by the mid-1980's the supply of and demand for university graduates in engineering will be in reasonable balance. Beyond the mid-1980's the Technical Service Council projects that supply will exceed demand while other projections indicate increased demand for engineers. Clearly, beyond the short-term, projections are less reliable. Among other factors, a major source of uncertainty with respect to engineering studies is the whole field of energy.

The Technical Service Council report provides estimates of the supply of and demand for bachelors and masters level engineering graduates for the period 1980-90. The demand side estimates take into account major projects coming on stream to 1985.

Three growth scenarios - low, moderate, and high - are provided for each of supply and demand. The report considered the moderate growth scenario to be the most plausible for both the supply and demand sides, a comparison of which yielded the following results:

For bachelors' level engineers, the moderate demand versus moderate supply scenario... shows a marked continuing growth in the demand for engineers to 1983 with supply falling behind requirements. Beyond 1983, in this scenario, the growth in demand begins to decline with supply and demand coming in to approximate balance in 1984. Beyond 1984, supply exceeds demand.

In the moderate demand versus moderate supply scenario for masters' level engineers... supply exceeds demand through the forecast period, although the magnitude of the oversupply, in absolute numbers, is not large.

The report makes two important points regarding the results. The first point is that the predicted oversupply of masters level engineers may not mean unemployment but rather employment of these graduates in positions unfilled because of short supply of bachelors level engineers. Secondly, the report urges caution in the interpretation of the results beyond 1985 because the demand side was adjusted for major projects only to 1985:

Beyond 1985, it is difficult to project with acceptable accuracy the number and magnitude of such projects which may or may not come on stream during the second half of the forecast period.

In this connection, the report suggests that engineering manpower forecasts should be reviewed every five years.

The supply and demand forecasts in the Technical Service Council report are national in scope. No information, therefore, is provided specifically for Ontario. On the demand side, the report prepared for the Canadian Council of Professional Engineers (CCPE) provides information by province. It forecasts engineering manpower requirements (excluding technicians, technologists, etc.) for major energy-related projects for the period 1980-2000. Based on information regarding major projects that are planned for the period by province, the report estimates engineering manpower requirements for the projects. The report indicates that the major projects in Ontario are primarily related to nuclear power and that the largest share of all provincial energy-related mega projects will be in Alberta.

The most important part of the CCPE forecast, from a national perspective, is the projected large increase in demand for engineers for energy mega projects. Further, on the basis of information available concerning the scheduling of projects, the report concludes that this demand will peak by the end of the decade.

The Task Force on Labour Market Demand arrives at similar projections regarding engineering requirements in the second half of the 1980's in its analysis of the occupational composition of employment growth:

...relative growth in the engineering and scientific occupations is expected to increase, particularly in the second half of the decade, reflecting the projected growing importance of goods-producing industries and of large, energy-related construction projects in this period.

On the supply side, statistics indicate that the number of undergraduate degrees awarded in Canada has increased considerably over the last five years. Further, information supplied by the Deans of Engineering to the Canadian Engineering Manpower Council indicates that the supply of these graduates will increase to 1984, although at a decreasing rate after 1982. With respect to undergraduate supply on a national basis beyond the mid-1980's, many programs are at capacity with little or no resources to expand. Two institutions surveyed have reduced enrolment. On the other hand, the University of Alberta is planning to increase its first year intake by about 20% (100 students) over the next few years while British Columbia is planning a major expansion in Engineering. It is interesting to note that the major problem being experienced in British Columbia is an inability to attract students into engineering programs.

Undergraduate Enrolment

The data supplied by COU concerning enrolment in Ontario university engineering programs shows considerable variation between the undergraduate and graduate levels. Undergraduate enrolment has demonstrated significant growth with a 17.4% increase from 10,317 FTEs in 1976-77 to 12,109 FTEs in 1980-81 (and a 25% increase in full-time degree enrolment since 1975-76).¹ Part-time enrolment remains an extremely small portion of the total and has exhibited extreme variations from year to year. COU's projections for the period 1981-82 to 1985-86 show a "steady state" situation, with a decline, of 0.6%, by the end of the period.

Graduate Enrolment

At the graduate level, on the other hand, enrolment has declined by 6.9% at the masters level (from 1,213 FTEs in 1976-77 to 1,129 FTEs in 1980-81) and 19.4% at the doctoral level (from 556 FTEs in 1976-77 to 448 FTEs in 1980-81). Part-time enrolment (23.1% of masters FTEs and 9.2% of doctoral FTEs) has remained fairly constant. As at the undergraduate level, the COU projections show little change occurring over the next five years.

Capacity

It would appear that, in general, there is currently little available capacity at the undergraduate level but much at the graduate level. COU's figures show that, in terms of first-year full-time students, undergraduate engineering programs are presently operating at 3.7% above desired capacity. There is, however, significant space in certain sub-discipline areas (for example, metallurgical engineering and engineering science) and even in those areas with no space (for example, electrical, mining and mechanical engineering) there is at least one institution in the province with some available capacity.

¹ Enrolment data are calculated from annual Fall headcounts provided by COU. Only the fifteen provincially-assisted universities are included. With respect to engineering, the figures submitted for the University of Waterloo do not include students registered in the Co-operative Program but not enrolled in Fall term classes and therefore represent an underestimate of that institution's enrolment in engineering.

Graduate engineering programs would not have problems accommodating additional students. Masters programs have space for significantly more full-time students, as do doctoral programs.

Technicians and Technologists

In their commentary on the report for the Canadian Council of Professional Engineers, the Canadian Engineering Manpower Council makes the following statement:

While the... report focuses attention on the importance of the skills and availability of professional engineers to the successful completion of Canada's energy-related construction programs, it also reminds us of the importance of engineering teams - including not only engineers but scientists, technologists, technicians and skilled tradesmen, which must be assembled to do the necessary design and construction....

The reports (sic) suggests that there will be great challenges and opportunities for Canadian professional engineers, scientists, technicians, technologists and skilled tradesmen as major energy-related projects unfold.

The commentary also includes the following statement:

We are concerned also at the suggestion that supply by itself will dictate capital construction schedules. We believe that Canadian industry can and will adjust to manpower shortages through changes in utilization of manpower and by other measures.

These statements suggest that the supply of and demand for technicians and technologists should also be reviewed. In Ontario, it appears that the demand for diploma graduates of Ryerson's technology programs is quite strong. At present only a small percentage of the students are continuing full-time to the degree level. At the Colleges of Applied Arts and Technology (CAAT's) however, enrolment in the technology division (excluding computer-related programs) has not grown as quickly as in other areas of the CAAT's. In fact, excess capacity exists in these programs.

Summary

In general, the information available to Council indicates that there is a strong demand for engineers in Canada at present and that this demand is likely to continue in the short-term.

Further, the major energy projects planned for the future have the potential to create a large increase in demand for engineering manpower. However, the actual magnitude of the demand is difficult to predict because of the considerable uncertainties involved, such as the timing of projects, government policy, technological change, and potential new projects. The recent announcement of deferral of the Cold Lake project is a good indication of the scope for error regarding manpower projections for these projects.

Nevertheless, the major entry projects do represent a potentially strong source of demand which, given the time structure used in the CCPE report, could have a very high peak. This potential pattern of growth in engineering demand has some important implications for Canada. They are well-stated in the CCPE report:

The remaining valleys and the major peak... demonstrate the desirability in the national interest of a scheduling of the major energy-related projects for best utilization of the available Canadian engineers.

The magnitude of the requirements for Canadian engineers for new major energy-related projects, over and above those now engaged in such work, should be incorporated into career counselling of young people and university planning.

It is clearly in the national interest that the planned major energy projects be coordinated to come on stream in a manner that would avoid the type of "bulge" in demand indicated above. Such a peak in demand could result in many projects being deferred because of shortages of manpower or, on the other hand, could result in a major expansion of engineering programs to match supply to the demand peak. The latter case could result in an over-expansion of engineering school capacity and an excess supply of engineers after the peak.

Given the provincial distribution of both energy projects and engineering schools, the coordination of engineering supply and demand is clearly a national problem that will require a concerted inter-provincial and, perhaps even federal, effort. Governments and industry should attempt to smooth the scheduling and manpower requirements of the projects. At the university level, there should be a nation-wide review of present engineering capacity and plans for growth.

The universities of Ontario should not undertake any major expansion without knowledge of the plans of other provinces. On the other hand, Council expects that as events unfold, the Ontario universities will continue to respond to changes in demand, as they have done in the past. However, as indicated above, the universities currently have little available capacity at the undergraduate level, although some sub-disciplines do have some available capacity.

If, on the basis of available evidence and estimates regarding engineering supply and demand, Government wishes to increase enrolment in university engineering programs, the following options might be considered. These options represent both short-term and longer-term solutions. With respect to the longer-term, Council cannot overemphasize the need to exercise caution; the uncertainties involved in long-term projections are considerable.

Options for Increasing Supply

At the *undergraduate level*, Council notes that, despite the capacity data provided by COU, there is no conclusive evidence that any qualified students are being kept out of engineering due to a lack of institutional capacity. For example, a student might have applied to take engineering at the University of Toronto, been turned down and then enrolled in a science program at the University of Toronto. He or she might have been able to find a space in engineering at, say, Ottawa or Queen's, but his/her second choice was a non-engineering program. Such a case should not, therefore, be taken as evidence that space in engineering was not available somewhere in the Ontario system. Council suggests that COU might wish to determine if, in fact, qualified students are unable to find places in engineering programs in Ontario.

At the same time, however, it is evident that in order to increase significantly the future supply of graduates of university engineering programs, Government would need to increase capacity within the system. At best, current available capacity is small. Depending on the magnitude of the increase deemed desirable, and the degree of urgency attached to effecting change, Government would probably be best advised to adopt measures designed to both increase space and to attract more students into the programs.

In terms of increasing the supply of available graduates, the following options appear most relevant:

(a) Employment of Visa Student Graduates

If Government wished to effect immediate significant increases in supply, it could seek, in cooperation with the Government of Canada, to retain some visa student graduates by offering them landed immigrants status or special employment visas to remain in Canada for a limited term. As one university suggests:

Should the perceived critical manpower shortage be confirmed, one alternative response which should be considered is the adjustment of immigrant status to those graduates of existing programs in the Province who are currently on student visas. Those who chose to remain would, at no cost, immediately increase the manpower supply in critical areas.

In 1980-81, approximately 10% of the total full-time fourth-year undergraduate enrolment in engineering was visa student enrolment.² If one-half of these were retained in Canada, the supply of graduates would be increased by 5.4%, approximately 110.

However, the differential effects of such a policy should be noted. Visa student numbers are relatively high in some sub-discipline areas (e.g., civil, electrical and mechanical engineering) and low in others (e.g., design and metallurgical engineering and engineering science).

(b) Visa Student Quota

If Government wished to increase the supply of Canadian and landed immigrant graduates without increasing overall capacity, it could do so by implementing a quota on visa students. Approximately 13% of total full-time undergraduate enrolment in engineering is visa student enrolment. If Government were to impose a quota on the number of such students, more spaces would be made available for Canadian and landed immigrant students. If, for example, a 5% quota on Year I full-time enrolment were imposed beginning in 1982-83, and qualified Canadian and landed immigrant students were found to fill the resultant available capacity, Council estimates that Canadian and landed immigrant enrolment in first year would be increased by 9%, representing approximately 300 full-time students. The full effect of this policy would not be felt, however, until those students entering engineering in 1982-83 graduated some four years later.

It should be noted, as well, that not all institutions would be affected equally by the application of such a policy. The percentage of enrolment in engineering represented by visa students varies significantly from institution to institution.

(c) Special Funding Arrangements

If Government wished to increase the supply of Canadian graduates, and was prepared to expand institutional capacity, some medium-term measures would be available. Beginning in 1982-83, additional financial support might be made available to those universities with engineering programs by changing the way in which enrolment in those programs was funded. For example, modest increases in enrolment could be encouraged by providing full BIU funding for all additional students. Larger increases could probably be obtained by providing directed grants to institutions who had indicated an ability to expand their engineering programs.

2. Visa student data pertaining to engineering and commerce and administration were not available for Queen's University. Similar data concerning computer science were not available for Queen's and the University of Toronto.

One university has informed Council that it could increase its first year enrolment by 18% (130 full-time students) if provided with additional financial resources. Another institution has indicated it could increase its capacity in Year I by 22% (105 full-time students) if additional support were provided. Council could advise on the most appropriate method of allocating support once Government decided upon the magnitude of the increased capacity desired.

Certain special arrangements could produce increases in enrolment with increased operating costs and moderate capital expenditures. For example, an engineering faculty could operate a three-term program using the facilities currently available over the full twelve months of the year. Costs for additional faculty and technical staff would represent major expenditures from operating funds. Capital funding would be required for office and research laboratory space but not for instructional laboratories or lecture facilities.

Another option, along the same lines, would be to encourage one or more engineering faculties to move to extended hours of operation (i.e., from 0800 hours to 2200 hours daily). Such action would also increase the potential for part-time study and thereby allow for the upgrading of professional qualifications by members of the workforce. As with any of the options to increase capacity, however, there will be problems in finding qualified faculty in many of the sub-disciplines of engineering.

The effect of such changes, assuming that global funding was increased to offset the costs of additional support, would be significant increases in capacity over a relatively short period of time. The additional resources available to those institutions with engineering programs would probably allow for the acquisition of new faculty (if they were available), equipment and support staff/facilities. It is unlikely, however, that major new capital projects could be supported.

If global funding was not appropriately increased, then additional support for engineering programs would have to be provided at the expense of non-engineering programs. Even those institutions with engineering programs might see their total level of funding decrease, depending on their ratio of engineering BIUs to non-engineering BIUs.

Council notes that there are particular advantages to using existing institutions as a base for expanding professional programs. For example, potential accreditation problems would be avoided. Also, existing institutions would be better able to attract additional qualified faculty and support staff.

(d) Institutional Conversion

The Minister's letter of May 27, 1981 specifically refers to the possible "conversion of an existing university facility to a high technology training centre". There is, however, an intermediate step worthy of consideration but representing conversion of a different nature or extent.

A new engineering facility might be created through the conversion of facilities presently being used for other purposes. Accurate cost estimates could only be provided in specific cases, but the costs which would be incurred would likely include allowances for relocating faculty, the provision of additional equipment, major renovations to the existing facilities and compensation to the parent institution for short-run losses in revenue.

The second approach would consist, as noted in the Minister's letter, of complete institutional conversion. For example, by direct intervention, Government could reduce a selected university's arts and science programs to a "core element" only, remove other programs currently in place, and expand

dramatically those facilities and resources directed towards engineering (and possibly commerce and administration and computer science). The university would have to be completely reorganized and restructured at high initial cost.

Whatever the variation adopted, the effects of any form of institutional conversion would be dramatic but decidedly long-term. Significant conversion will require time to implement - especially if new construction is involved. Given a "lead time" of three to five years, the results of such action would likely not be felt until at least 1990. Thus this option provides for significant increases in the supply of graduates well after the effective time-frame of most estimates of future demand.

There are certain disadvantages associated with converting an existing institution not now heavily involved, if at all, in these areas. Considerable capital and equipment support would be required. The institution is likely to encounter difficulties in attracting faculty and may have problems with accreditation. Also, the "lead time" for full implementation will be longer.

Moreover, the creation of one or more highly specialized institutions could create problems unless such reorganization is undertaken as part of a general restructuring of the entire university system.

At the *graduate level*, as was noted earlier, the major barrier to an increased supply of graduates is not lack of capacity but rather lack of student demand for the programs being offered. If the students were available, then the universities could accommodate significant additional enrolment at both the masters and doctoral level.

It would appear that there may be some increase in the market demand for masters and doctoral graduates in particular fields of engineering. While the masters situation seems to be one of reasonable balance, the shortage of doctoral level graduates could be very acute. These programs do not, however, operate independently of each other and a significant increase at the doctoral level may require a significant increase at the masters level.

The nature of the problem, and a possible solution, have been succinctly described by one university as follows:

The shortage of Canadians and landed-immigrants is related to the high starting salaries of B.Eng. graduates, and the resulting high differential between the income of a graduate student and that of an employed graduate. The need then is for an enriched scholarship programme which would serve to encourage graduates to continue to M.Eng. and Ph.D. programmes.

Council concurs with this assessment. A focussed graduate scholarship program could be implemented to attract students into masters and/or doctoral programs in specialized fields of engineering and science.

Council cannot stress too highly that the availability of faculty could be critical in the expansion of engineering programs. Any significant expansion of programs at the undergraduate level would require an even greater supply of qualified faculty and thus would exacerbate existing recruitment problems even further. It is conceivable that special arrangements could be made to allow institutions to hire faculty from outside Canada, but such a policy would only be, at best, a stopgap measure. Long-term there would have to be a dramatic increase in the supply of indigenous Canadian faculty and, therefore, a significant increase in the number of doctoral graduates. This problem will become even more critical within the next ten years as significant numbers of faculty members currently teaching in engineering schools reach retirement age.

On a medium-term basis, Government might wish to explore the possibility of creating a "lend-lease" program. Such a program might be established, in cooperation with industry, to allow graduates presently employed in the private sector the opportunity to serve

aculty members for some specified, limited term. The benefits to be derived, by both the universities and by industry, would not be insignificant and the supply of qualified and experienced faculty thus provided would assist in meeting temporary shortages resulting from any expansion of programs.

COMPUTER SCIENCE

Council has been able to obtain little concrete data with respect to the demand for university graduates in computer science. Council's main source of information has been discussions with individuals familiar with the manpower needs relating to the use of computers in industry and commerce.

The whole computer-related area includes not only the firms within the computer industry involved with equipment, software and information processing, but also the various organizations which have introduced, or plan to introduce, computer facilities into their operations.

In general, it appears that there does exist a shortage of university graduates in computer science and that demand will continue to be strong over the next few years. However, Council can offer no estimate of the magnitude of the shortage. What has become clear during discussions, though, is that there also exists a demand for individuals with all levels of qualifications (ranging from university education with several years of practical experience to no previous computer-related training) to fill the wide range of positions available in this field. For some positions, university education in computer science is clearly the preferred background. For others, electrical and electronics engineers are sought. However, for a large number of positions university training is not a prerequisite. It was also indicated that for many other positions, the CAAT's do a good job of training people. Further, for some positions, individuals may only need some mathematical ability.

Given the above, the answer to shortages in the whole computer area may not lie exclusively in the expansion of university computer science programs and/or CAAT computer programs. As one institution points out:

Depending on the nature of the perceived manpower shortage, increasing enrolment in Computer Science programs may be less appropriate than enlarging enrolment in other programs in which training in the use of computers constitutes a major portion of the curriculum. If this is the case, other programs at the University might be better candidates for expansion.

It has also been indicated to Council that in situations of high demand, it may be easier for organizations to train their own people. This may be possible for many of the positions in the whole computer-related area and may involve the upgrading of qualifications or the training of individuals with no previous related education or experience. In this connection, one university makes the following comment:

One can... look to business and industry as 'educators' or 'trainers' in their own right. Many employers set up formal training programs to prepare new employees for the special tasks of their workplace. An extension of this philosophy with or without government aid would appear to be a quicker and less expensive way of preparing new employees to meet special work related tasks than the building of new institutions.

From all of the above, Council can only conclude that more needs to be done to determine where the demand exists in the whole computer-related area, in what area demand is expected to grow, and what types of qualifications are and will be needed. Regarding this last point, the respective roles of the universities and of industry in training people for computer-related positions also requires further study.

Undergraduate Enrolment

COU's enrolment data for computer science programs in Ontario show marked contrasts between trends at the undergraduate and graduate levels. On an FTE basis, total undergraduate enrolment has increased by 77.5% over the past five years, from 1,645 in 1976-77 to 2,920 in 1980-81. Part-time enrolment, although it increased by almost 100% over the period, currently constitutes only 6.3% of the total. Full-time enrolment has grown by 76.2%. Projected enrolment for the next five years shows growth rates of 25% and 12% in 1981-82 and 1982-83 respectively followed by three years at a fairly low rate of growth.

Graduate Enrolment

Masters enrolment, on the other hand, has declined by slightly more than 10% over the past five years (from 187 FTEs in 1976-77 to 168 FTEs in 1980-81). Part-time enrolment has actually increased but full-time enrolment has declined. Some modest growth is anticipated over the next five years, although part-time enrolment will remain constant.

At the doctoral level, the number of FTE students has increased marginally, from 84 in 1976-77 to 86 in 1980-81. COU expects an increase in 1981-82 (to 90 FTE students) followed by four years of stable enrolment.

Capacity

In terms of available capacity, both the undergraduate and graduate levels appear to have room for a significant number of additional students. Overall, there is space for almost 20% more first-year full-time students in the system, a potential increase of 15.2%. The undergraduate capacity situation changes quite dramatically, however, on an institutional basis. Some have significant space available, some are operating at capacity and some are operating in excess of capacity.

At the graduate level, there is room for significant additional enrolment in both master's and doctoral programs. Although some programs have no additional capacity, most have some significant space and none (at either the masters or the doctoral level) are reported to be operating in excess of capacity.

CAAT Enrolment

At the college level, enrolment in computer-related programs has grown substantially. In fact, this is the area that has been expanding most rapidly in the CAAT's. The Council of Regents has provided the following examples of growth in first-year enrolment over the period 1976 to 1980: a 152% increase in two-year Computer Programming, a 160% increase in three-year Data Processing, a 173% increase in three-year Computer Programming, and a 192% increase in three-year Computer Science Technology. With regard to available capacity, however, it has been indicated that there are many applications for these programs and that available spaces are always filled.

Summary

In general, information available to Council indicates that there is currently a strong demand for computer science graduates and that this demand is likely to increase in the short-term. Council has little data, however, on which to estimate the magnitude of this demand. In terms of supply matching demand, Council notes that there is currently a significant excess capacity, at all levels, in the computer science programs in the Ontario universities.

As indicated above, within the whole computer-related area, there is strong demand for individuals with a wide variety of backgrounds, such as electrical and electronics engineering, CAAT-level computer training, and no previous computer related training. Further, there are indications that industry can, and perhaps should, play a major role in training people for these positions, particularly in periods of strong demand. More needs to be done to identify the types of people needed and the roles of the universities and industry in training.

As far as the supply of graduates from the universities is concerned, programs other than computer science and electrical and electronics engineering should be considered. Many programs in science and social science have a significant computer science component. Graduates of such programs may fill, very effectively, positions which might be regarded as requiring computer science graduates. Along these same lines, it would be worthwhile to look at the extent to which engineers and scientists of various backgrounds are interchangeable.

With respect to long-term demand, Council envisions further growth in the whole computer field. However, the implications of further growth for specific positions and the demand for specific graduates will depend not only on the developing role of industry in training people but, more importantly, future technological development in the computer industry.

Clearly, more work needs to be done in assessing the demand for graduates of computer science. The forthcoming report of the provincial Task Force in Microelectronics, expected to be available in October of this year, may be helpful in this regard. If Government determines that there is a need to increase the supply of available graduates in computer science, beyond the capacity currently available, the following options could be considered.

Options for Increasing Supply

At the *undergraduate level*, although institutional capacity does not appear to be a major problem, the options discussed above in connection with engineering programs appear relevant. There are, however, important differences in relation to the computer science situation. Options designed to increase institutional capacity are only likely to prove effective if there is sufficient student demand to fill the space thus created. Current evidence suggests that such student demand does not exist, although it may increase in the future.

Government has, of course, recourse to measures which could serve to increase demand for computer science, or other programs. Differential program fees, scholarships and bursaries, and public information programs are just some of the approaches which might be adopted.

The options intended to increase the supply of available graduates, if warranted, include the following:

(a) Employment of Visa Student Graduates

Again, immediate increases in supply could be provided by retaining some visa student graduates in Canada. In 1980-81, visa students constituted 11.5% of total full-time Year IV undergraduate enrolment in computer science. If, for example, one-half of these students were granted landed immigrant status or employment visas then the immediate supply of graduates in this area would rise by some 20 students, a 6.5% increase.

(b) Visa Student Quota

There are proportionately more visa students enrolled in undergraduate computer science programs than in engineering programs. Over 19% of total full-time enrolment in computer science consists of visa students. If a quota were imposed on the number of visa students, therefore, significantly more

room would be made available for Canadian and landed immigrant students (compared to the engineering example). A 5% quota, if imposed in 1982-83 on first-year full-time enrolment, would yield a potential 17% increase in Canadian and landed immigrant enrolment (about 160 full-time students).

It should be noted, however, that not all institutions would be affected equally by a quota policy. Also, the increase projected is exclusive of the potential 15% increase in total full-time enrolment represented by available capacity.

(c) Special Funding Arrangements

As with the engineering programs, changes to existing funding arrangements could be made in order to provide additional resources to allow for expansion of capacity. Such measures as full BIU funding and higher BIU weights for new computer science enrolment might be considered.

Again, it can be expected that such measures are likely to produce reasonable growth in capacity. If they were not sufficient however, additional support (particularly for equipment acquisition) might be provided through directed grants.

(d) Institutional Conversion

The variations outlined in connection with engineering apply here as well, although more rapid increases in supply could be obtained by using existing programs as a base for expansion.

At the *graduate level*, the situation closely parallels that existing in engineering in that there is substantial available capacity. Thus, increased enrolment becomes a matter of attracting more students to graduate programs rather than creating more spaces. This is true for both masters and doctoral programs generally.

The problems associated with recruitment of faculty, while similar to those found in the engineering area, are even more severe in computer science. During 1980-81, some 60 faculty positions in computer science were advertised nationally. Of these, 35 were filled and 32 (48%) remain vacant. It is evident, therefore, that any expansion at the undergraduate level will require an increased supply of doctoral (and masters) graduates.

COMMERCE AND ADMINISTRATION

Commerce and administration encompasses a broad range of sub-disciplines, including accounting, marketing, and personnel and industrial relations. Of these, accounting is perhaps the only sub-discipline that lends itself to analysis because it can be reviewed in terms of the three principal, professional designations that can be attained: Chartered Accountant (C.A.), Registered Industrial Accountant (R.I.A.) and Certified General Accountant (C.G.A.).

The Technical Service Council has published a study on accountants, *Supply of And Demand for Accounting Professionals in Canada*, which provides estimates of supply and demand for each of the accounting professionals identified above, for the period 1979-88. As in the study on engineering, the report provides low, moderate, and high demand and supply scenarios and judged the moderate to be the most likely in each case. Further, the report indicated it was important to look at total supply and total demand for these professionals. Its moderate scenario estimates indicate that total supply and demand will generally be in balance over the period.

The problem of relating this study to the demand for graduates of university accounting programs is twofold. First, as the report points out:

...not all accounting occupations are filled by individuals having C.G.A., C.A., or R.I.A. certifications. Some positions are filled by non-graduates, graduates with other qualifications, and by individuals who are in the process of qualifying as C.G.A.'s, C.A.'s or R.I.A.'s.

However, the report predicts that the percentage of accounting positions filled by C.A.'s, G.A.'s and R.I.A.'s will increase over the period. Council also notes that individuals may proceed to these professional designations from a wide range of backgrounds.

The problem of relating supply and demand may be even more acute in other areas of business. Individuals employed in business and industry in such areas as marketing, personnel and industrial relations may not necessarily have obtained their university education in these areas. In fact, such individuals may have pursued studies in the humanities, social sciences or natural sciences. One university has provided several examples of what may, at first glance, appear to be a mismatch of educational background and employment. Two such examples are as follows: a 1981 graduate with a BA in Politics is employed as a Marketing Trainee and a 1979 graduate with a BA in Philosophy obtained employment as a Hotel Management Trainee.

In this connection, one institution's submission makes the important point that university education can be looked at "as an opportunity to develop or enhance a number of basic functional transferable skills." This is a point which Council believes cannot be over-emphasized. Employers in business and industry should look at the whole pool of university graduates when considering their manpower requirements. In this way, potential shortages may be eliminated.

At the graduate level, Council envisions that the extent to which individuals with other undergraduate and graduate degrees can be substituted for MBA graduates is somewhat less, but is still important. At the doctoral level, it is apparent that there is a shortage of highly qualified individuals to teach in the business faculties.

Regardless of the above, Council's discussion of supply in this section cannot reasonably encompass all discipline areas. Council has, therefore, restricted its discussion to the area of commerce and administration. Council can only reiterate that these are not the only areas that should be looked at from the supply side by Government.

Undergraduate Enrolment

COU's data on commerce and administration programs in Ontario (including commerce and business, public administration, health administration, hotel and food administration and "other administration" programs) show considerable growth at the undergraduate level. Total FTE enrolment has increased from 9,698 in 1976-77 to 16,137 in 1980-81, an increase of 66.5% over the period. Moreover, between 1975-76 and 1980-81 full-time undergraduate enrolment increased by 96%. COU's projections for the next five years show, however, much lower rates of growth such that total FTE enrolment will increase by only 9.8% by 1985-86.

Graduate Enrolment

At the graduate level, past growth has been, for most programs, far less dramatic. MBA enrolment has increased by approximately 14%, from 2,035 FTE students in 1976-77 to 2,325 FTE students in 1980-81 (although enrolment in masters programs in public administration and health administration increased by over 43% during the same period). Modest growth in MBA enrolment is predicted for the next five years. Enrolment in masters programs in related areas, on the other hand, will remain fairly constant.

At the doctoral level, significant enrolment increases early in the period have been only partially offset by later declines and more modest growth rates. Total FTE enrolment has

thus grown from 51 FTE students in 1976 to 68 FTE students in 1980-81. Doctoral program enrolment is expected to grow by 10% in 1981-82 (to 75 FTE students) and then remain constant.

Capacity

The capacity situation, as described by COU, is consistent at the undergraduate and masters level, but dramatically different at the doctoral level. At the undergraduate level there is space for approximately 4% more full-time students in all commerce and administration programs (although for commerce and business programs only, the figure drops to 2.7%). Even in the commerce and business area, however, there is a range of situations at the institutional level with some universities having significant space and others operating in excess of capacity. Available capacity in related programs (particularly public administration and hotel and food administration) is much higher.

At the masters level there is a similar capacity situation. In the MBA programs there is space for 5% more full-time students. Unlike the undergraduate level, however, the related programs appear to have even less available capacity (although Council feels that COU data are incomplete in this area).

At the doctoral level, only one institution (the University of Toronto) has no available capacity. All other institutions report significant unused space.

Summary

In general, Council has seen little evidence to suggest that significant shortages of university graduates of commerce and administration programs either currently exist or are likely to develop in the near future. Indeed, at the undergraduate level, Council feels that enrolment may increase more dramatically than has been assumed by COU. Other universities could develop programs similar to the Administrative and Commercial Studies program at the University of Western Ontario. This particular program is offered by Western's Faculty of Social Science and combines general undergraduate courses with selected courses focussing on financial and administrative topics. Institutions with strength in related social science departments could, therefore, establish similar programs with greater facility than would be involved with the development of more formal business schools. Building on existing strength would also require less in the way of resource reallocation.

If more institutions were to develop such programs then enrolment in commerce and administration could expand quite rapidly. When this factor is combined with the fact that programs in commerce and administration are not the sole source of manpower for related occupations in business and industry, then a potential supply shortage becomes even less likely. The pool of potential employees in business and industry cannot be viewed as being restricted only to graduates of programs with an explicit business orientation. Rather, graduates of many other kinds of university programs have the basic skills and training which would allow them to be successful in this area.

If Government decides, however, that increases in enrolment in commerce and administration programs are desirable, then the following options appear relevant.

Options for Increasing Supply

At the *undergraduate level*, Council believes that Government would be best advised to restrict its consideration of options for increasing the available supply of graduates to the following:

(a) Employment of Visa Student Graduates

Through the retention of visa student graduates, the supply of manpower could be immediately increased. Approximately 5% of fourth-year full-time undergraduate students in business and commerce in 1980-81 were visa students. Thus, for example, retention of one-half of these students after graduation

tion would result in a 2.6% increase (almost 50 students) in the supply of graduates.

(b) Visa Student Quota

A medium-term increase in the supply of Canadian graduates could be provided by imposing a quota on visa student enrolment. Slightly less than 10% of total full-time undergraduate enrolment in commerce and business programs consists of visa students. The imposition of a 5% quota on first-year full-time enrolment of visa students in 1982-83 would result in a potential 5% increase in Year I full-time Canadian and landed immigrant student enrolment, approximately 225 students. This would be over and above the potential increase of 3% (140 FTE students) in total first-year enrolment represented by available capacity.

As in both engineering and computer science, however, the differential effects of such a policy must be noted. Those institutions with very little, or no, excess capacity may not be affected by a quota.

The situation at the *masters level*, as has been mentioned earlier, approximates that existent at the undergraduate level. That is, significant expansion of enrolment could not likely occur without the implementation of measures designed to increase institutional capacity. However, given that there are currently 3,677 MBA students in Ontario (1,745 full-time and 1,932 part-time), and 4,034 students in all commerce and administration masters programs, Council deems it unlikely that significant increases in the supply of graduates from these programs will be warranted in the near future.

In terms of *doctoral programs*, the situation is similar to that in engineering and computer science, save that the degree of available capacity is twice that of engineering and more than three times that of computer science. Therefore, measures designed to attract more students, such as the targeted graduate scholarship program suggested above, would be required.

GENERAL SUMMARY

Council has evaluated the balance between supply and demand, both current and potential, on the basis of available information. The type of situation existing in a particular discipline (or sub-discipline) area at a specific point in time, in terms of either undergraduate or graduate programs, depends greatly on the perceptions and assumptions used in the evaluative process. For these reasons, Council finds itself reluctant to offer definitive advice concerning the future balance between supply and demand in any of the discipline areas, but does offer some general impressions.

Relating current or potential shortages to possible remedial action is, of course, a different matter. In each of the sections relating to initiatives which might be undertaken to increase the future supply of graduates ("Options for Increasing Supply"), Council has quite consciously structured its consideration on the basis of the perceived time-frames required for implementation. In addition, there appears to be a relationship between "lead time" and additional capacity generated. In effect, short-term measures produce, relatively speaking, incremental changes, while longer-term action results in significant potential additional enrolment.

The various options outlined for increasing the supply of manpower from undergraduate programs may be summarized as follows:

- (a) *Employment of Visa Student Graduates*: is a short-term measure which could be implemented almost immediately.
- (b) *Visa Student Quota*: is a medium-term initiative (it could not effectively be implemented until 1982-83 and would not "work through the system" until 1985 at the

earliest), but has the potential to produce an increase in Canadian and landed immigrant enrolment.

- (c) *Special Funding Arrangements*: would likely be medium-term measures which would not be fully effective until 1985, but could provide opportunities for significant increases in capacity.
- (d) *Institutional Conversion*: despite the variations identified, is definitely a long-term option, but would result in a large potential increase in qualified manpower. Council is convinced, however, that this option should only be seriously entertained if Government is firmly convinced that a large and continuing increase in the supply of graduates is required; one that cannot be met more effectively by increasing capacity at an existing institution.

It should be noted, however, that increasing available capacity may not result in increases in qualified manpower unless more Canadian and landed immigrant students are attracted into certain undergraduate programs. Similarly, at the graduate level generally the problem to be addressed involves the lack of student demand rather than the need for additional capacity. In both cases, initiatives to increase student demand, particularly financial incentives, might be warranted. This is particularly important in terms of the graduate area if the future supply of qualified faculty is to be assured.

Council believes that the ability and willingness of the university system to accommodate student demand and to respond to perceived manpower needs should be fully recognized. Their "track record" in this respect is excellent.

W.C. Winegard
Chairman
July 17, 1981

1-VI Review of the Institutional Funding Weights for Ryerson Polytechnical Institute

In February 5, 1981, the President of Ryerson Polytechnical Institute wrote to the Minister of Colleges and Universities concerning "the fundamental question of the basis on which Ryerson's provincial grant is calculated". In his letter, the President argued that Ryerson suffered from inequitable treatment in this area, "as compared to the treatment afforded to universities in situations parallel to (the Institute's)". He noted that the Ontario Council on University Affairs had recognized, in Advisory Memorandum 79-V, that enrolment shifts within the Institute "did not automatically result in a higher average funding weight since Ryerson is funded according to an institutional weight". He pointed out, however, that while, on the basis of Council's recommendation, Ryerson's institutional weight had been increased from 1.3 to 1.38 (effective 1980-81) for the moving average, this increase had not been applied to the base years.

The President then went on in the letter to provide data which suggested that "most of the change in enrolment mix" had occurred during the base years period (1974-75 to 1976-77). He argued that the base years should have been included in considering changes in Ryerson's institutional weight since a "university which had experienced changes in enrolment weight category would have had its BIU's adjusted in the base years when the change took place". On this basis, the President concluded with the following:

... I earnestly request that serious consideration be given to applying the weight of 1.38 to the base years' enrolment as well as the moving years' average enrolment for 1981-82 and for all future years in calculating Ryerson's formula grant entitlement.

In February 26, 1981, the Minister sent a copy of the President's letter to the Chairman of Council asking for "comments and advice".

Council's Analysis

In order to determine the effects of the shifts in enrolment which had taken place at Ryerson during the period of the base years, Council began by reviewing the data and methodologies used to identify an institutional weight of 1.38.

In Advisory Memorandum 79-V, Council attempted to assess (and calculate) the financial impact of the enrolment shifts by examining two "benchmark" years (1973-74 and 1978-79) in terms of:

- a) the relative split between degree and non-degree enrolment, and
- b) the proportion of degree enrolment in higher-cost (i.e., higher-weighted) programs.

Council calculated hypothetical institutional weights on the basis of seven alternative models which used certain average degree and non-degree weights. The results (see Appendix A) led Council to recommend that "beginning in 1980-81, formula grants for Ryerson... be calculated on the basis of an institutional weight of 1.38 applied to the three-year moving average" (OCUA 79-15).

Council did not, in Advisory Memorandum 79-V, consider the question of revising the institutional weight which applied to enrolment in Ryerson's funding base. Rather, Council attempted to determine an appropriate institutional weight for Ryerson on the basis of the

current (i.e., 1978-79) enrolment "mix" in comparison with the enrolment mix existing in 1973-74 (when the previous institutional weight of 1.3 was established). The data used in the model calculations, obtained either from the University Audit Reports (UAR) or provided directly by Ryerson, pertained only to the two benchmark years.

In the process of reviewing the data used at the time Advisory Memorandum 79-V was written (November, 1979), Council discovered a number of problems relating to the figures used in calculating the models, especially those relating to the split between degree and non-degree enrolment in both 1973-74 and 1978-79.

In general, Ryerson has three types of programs: diploma or certificate (i.e., non-degree) programs, degree programs and sequential non-degree/degree programs. Most of the sequential programs consist of a three-year diploma program followed by a one-year degree program. After completing the three-year diploma program, qualified students may then proceed to the one-year degree program. Enrolment in sequential programs has usually been reported on the basis that enrolment in the first three years (the diploma component) constituted non-degree enrolment while enrolment in the fourth year (the degree component) was reported as degree enrolment.

The problems with the data which have been identified include the following:

- a) some non-degree enrolment has been erroneously counted for certain degree programs,
- b) when a program was converted from diploma to degree, total program enrolment was sometimes counted as degree enrolment only during the "phase-in" period (when both diplomas and degrees were awarded), and
- c) in certain instances, enrolment in specific sequential programs, which were viewed by the Institute as primarily degree programs but with an "opt-out diploma" feature, was reported as totally, or primarily, degree enrolment.

Consequently, Council has revised the data pertaining to the two benchmark years (see Appendix B).

If the models used in Advisory Memorandum 79-V had been calculated using the revised data, the results would have been quite different (see Appendix C). In fact, it is likely that Council would have recommended an institutional weight for Ryerson of 1.35 rather than 1.38.

In addition to the changes noted for the benchmark years, Council has, with the aid of Ryerson staff, developed what it feels to be accurate and consistent data pertaining to the Institute's enrolment patterns during the period covered by the base years. Also, Ryerson has provided similar enrolment data for the two most recent years for which such information is available, 1979-80 and 1980-81.

Changing the Base Weight

Currently, Ryerson's formula for funding base consists of the full-time equivalent (FTE) enrolment in 1974-75 and 1975-76 and the fiscal full-time equivalent (FFTE) enrolment in 1976-77, multiplied by an institutional weight of 1.3 and averaged over the three years. This weight factor was originally established by the Committee on University Affairs, in February 1974, to take effect for 1975-76 (under the old slip-year funding system).

In principle, the argument presented by Ryerson concerning the funding base is correct if the Institute experienced significant internal enrolment shifts between programs during the period covered by the base years. The application of an institutional weight for funding purposes, as opposed to specific program weights, does have the effect of masking, or at least not recognizing, such changes. For institutions on program weights (virtually all institutions within the system), enrolment shifts during the base years have had a direct impact on current institutional funding since greater enrolment in higher-weight

programs resulted in the counting of more BIUs. In fact, in 1975-76 the total number of undergraduate BIUs reported by the system increased by 4.4% over 1974-75 (to 323,637.1 from 309,880.1) even though the number of undergraduate FTEs increased by only 3.9% (from 183,959.0 in 1974-75 to 191,137.3 in 1975-76).¹ The additional 0.5% increase in BIUs is the result of shifts in enrolment "mix" towards higher-weighted programs.

Council has attempted to assess the effects of enrolment shifts at Ryerson during the base years. As was mentioned above, for the first time, accurate and consistent data pertaining to each of the years contained in the funding base (1974-75, 1975-76 and 1976-77) were obtained. These data, and the revised data pertaining to the benchmark year 1973-74, were then applied to the seven models used in Advisory Memorandum 79-V.² The results (see Appendix D) suggest the following institutional weights:

- a) for 1974-75 : 1.33,
- b) for 1975-76: either 1.33 or 1.34, and
- c) for 1976-77: 1.35.

Council concurs, therefore, with Ryerson's argument that there has been an element of inequity in terms of the weighting assigned to the Institute's enrolment for the period covered by the formula funding base. Accordingly, based on the calculations noted above, and Council's judgement of the changes in overall operating costs reflected by shifts in enrolment to higher-cost programs, Council *recommends to the Minister*:

OCUA 81-II

INSTITUTIONAL FORMULA WEIGHT FOR RYERSON POLYTECHNICAL INSTITUTE'S FORMULA FUNDING BASE

THAT beginning in 1981-82, formula grants for Ryerson Polytechnical Institute be calculated on the basis of an institutional weight of 1.34 applied to the three years (1974-75, 1975-76 and 1976-77) that comprise the formula funding base.

Changing the Moving Average Weight

As was noted above, if Advisory Memorandum 79-V had incorporated the revised enrolment data for the two benchmark years (1973-74 and 1978-79), then the institutional weight identified by Council would likely have been 1.35 rather than the 1.38 actually recommended. However, Council now has access to information concerning Ryerson's enrolment in two more recent years, 1979-80 and 1980-81. The application of the seven models contained in Advisory Memorandum 79-V to these data (see Appendix D) implies the following institutional weights:

- a) for 1979-80 : 1.34, and
- b) for 1980-81: 1.36.

Based on these calculations, Council's judgement of the changes in overall operating costs reflected by shifts in enrolment to higher-cost programs for the years 1978-79 to 1980-81, and the likely results for 1981-82, Council *recommends to the Minister*:

¹ Source: Ministry of Colleges and Universities (UAR).

² For a detailed description of each of the seven models, see the Appendix to Advisory Memorandum 79-V.

OCUA 81-12

INSTITUTIONAL FORMULA WEIGHT FOR RYERSON POLYTECHNICAL INSTITUTE'S THREE-YEAR MOVING AVERAGE

THAT beginning in 1981-82, formula grants for Ryerson Polytechnical Institute be calculated on the basis of an institutional weight of 1.36 applied to the three years that comprise the moving average.

Implications for Funding

Council considers it appropriate that the level of funding for Ryerson in 1981-82 calculated on the basis of the new institutional weights contained in Recommendation OCUA 81-11 and 81-12. However, Government has already responded to Council recommendations concerning the level of operating support for the university system 1981-82, contained in Advisory Memorandum 81-II.

Council estimates that the application of the institutional weights recommended above would have the net effect of increasing Ryerson's funding BIUs from 14,140.535 to 14,235.775, an increase of 95.240 BIUs or 0.7%, for 1981-82. On this basis, Council calculates that Ryerson would have been eligible to receive \$40.66 million in formula operating grants for 1981-82, rather than the \$40.36 million allocated as a result of Advisory Memorandum 80-VI, if the weights had been in place at the time that memorandum was written.

Accordingly, Council *recommends to the Minister and Lieutenant Governor in Council*

OCUA 81-13

ADDITIONAL FUNDS REQUIRED FOR THE UNIVERSITY SYSTEM IN 1981-82 IN RECOGNITION OF THE INSTITUTIONAL WEIGHT CHANGES FOR RYERSON POLYTECHNICAL INSTITUTE

THAT in recognition of the changes in the formula weights for Ryerson Polytechnical Institute from 1.3 to 1.34 for the funding base and from 1.38 to 1.36 for the three-year moving average, additional operating grants to the university system for 1981-82 in the amount of \$300,000 be made available in addition to the funds already provided by Government in response to Advisory Memorandum 80-II, such funds to form part of the continuing system base.

W. C. Winegard

Chairman

September 25, 1981

SUMMARY OF MODELS

Model	Degree Weight	Source	Non-degree Weight	Source	Resulting Percentage Increase	New Institutional Weight
I	1.494	derived GMW composite undergraduate weight	1.253	derived by using the GMW composite degree weight	4.1	1.35
II	1.527 (73/74) 1.593 (78/79)	formula weights for comparable university programs	1.200	formula weights for university technology diploma programs	7.9	1.40
III	1.527 (73/74) 1.593 (78/79)	formula weights for comparable university programs	1.253	derived by using the GMW composite degree weight	6.8	1.39
IV	1.527 (73/74) 1.593 (78/79)	formula weights for comparable university programs	1.289	derived by the GW composite degree weight counted by 10% for research	6.1	1.38
V	1.527 (73/74) 1.593 (78/79)	formula weights for comparable university programs	1.242	derived by using the GW composite degree weight	7.0	1.39
VI	1.527 (73/74) 1.593 (78/79)	formula weights for comparable university programs	1.298	derived by the GW composite degree weight counted by 15% for research	5.8	1.38
VII	1.374 (73/74) 1.434 (78/79)	formula weights for comparable university programs dis-counted by 10% for research	1.289	derived by the GW composite degree weight counted by 10% for research	3.3	1.34

Appendix B

NET EFFECTS OF DATA CHANGES ON BENCHMARK YEARS

1973-74

A) <u>FTEs</u>	<u>A.M. 79-V</u>	<u>CURRENT</u>	<u>DIFFERENCE</u>
Non-degree	7,236.6	7,090.9	- 147.7
Degree	1,748.9	1,894.6	+ 145.7
	8,985.5	8,985.5	-----

B) <u>%DISTRIBUTION</u>	<u>A.M. 79-V</u>	<u>CURRENT</u>	<u>DIFFERENCE</u>
Non-degree	80.536	78.915	- 1.621
Degree	19.464	21.085	+ 1.621
	100.000	100.000	-----

C) <u>AVERAGE DEGREE WEIGHT</u>	<u>FTEs</u>	<u>BIUs</u>	<u>AVERAGE W</u>
A.M. 79-V	1,748.9	2,670.1	1.527
Current	1,894.6	2,945.15	1.554

1978-79

A) <u>FTEs</u>	<u>A.M. 79-V</u>	<u>CURRENT</u>	<u>DIFFERENCE</u>
Non-degree	6,191.4	7,232.8	+1,041.4
Degree	4,425.7	3,385.0	-1,041.7
	10,618.1	10,617.8	- 0.3

B) <u>% DISTRIBUTION</u>	<u>A.M. 79-V</u>	<u>CURRENT</u>	<u>DIFFERENCE</u>
Non-degree	58.310	68.119	+ 9.809
Degree	41.690	31.881	- 9.809
	100.000	100.000	-----

C) <u>AVERAGE DEGREE WEIGHT</u>	<u>FTEs</u>	<u>BIUs</u>	<u>AVERAGE V</u>
A.M. 79-V	4,426.7	7,051.2	1.593
Current	3,385.0	5,494.4	1.623

SUMMARY OF MODELS

Model	Degree Weight	Source	Non-degree Weight	Source	Resulting Percentage Increase	New Institutional Weight
I	1.494	derives GMW composite undergraduate weight	1.248	derived by using the GMW composite degree weight	2.0	1.33
II	1.554 (73/74) 1.623 (78/79)	formula weights for comparable university programs	1.200	formula weights for university technology diploma programs	4.7	1.36
III	1.554 (73/74) 1.623 (78/79)	formula weights for comparable university programs	1.248	derived by using the GMW composite degree weight	4.2	1.35
IV	1.554 (73/74) 1.623 (78/79)	formula weights for comparable university programs	1.288	derived by the GW composite degree weight dis-counted by 10% for research	3.8	1.35
V	1.554 (73/74) 1.623 (78/79)	formula weights for comparable university programs	1.237	derived by using the GW composite degree weight	4.3	1.36
VI	1.554 (73/74) 1.623 (78/79)	formula weights for comparable university programs	1.298	derived by the GW composite degree weight dis-counted by 15% for research	3.7	1.35
VII	1.399 (73/74) 1.461 (78/79)	formula weights for comparable university programs dis-counted by 10% for research	1.288	derived by the GW composite degree weight dis-counted by 10% for research	2.5	1.33

Appendix D

SUMMARY OF MODEL RESULTS

MODEL	BASE YEARS			1978-79		1979-80	1980-8
	1974-75	1975-76	1976-77	AM 79-V	Revised		
I	1.31	1.32	1.33	1.35	1.33	1.33	1.33
II	1.34	1.34	1.37	1.40	1.36	1.36	1.37
III	1.33	1.34	1.36	1.39	1.35	1.35	1.37
IV	1.33	1.34	1.35	1.38	1.35	1.34	1.36
V	1.33	1.34	1.36	1.39	1.36	1.35	1.37
VI	1.33	1.33	1.35	1.38	1.35	1.34	1.36
VII	1.32	1.32	1.33	1.34	1.33	1.33	1.34
Average	1.327	1.333	1.350	1.376	1.347	1.343	1.357
Median	1.33	1.34	1.35	1.38	1.35	1.34	1.36

Part VII Graduate Program Planning

Over the past several years, Council's concern about graduate program planning has intensified. Even in a time of financial restraint, means must be found to ensure that the universities of Ontario, individually and collectively, are able to respond to the needs of Ontario and Canada in this important endeavour.

While graduate students in Ontario make up only 9.4% of the total full-time equivalent enrolment in the university system, graduate programs represent a substantial investment in public funds. For 1981-82, provincial graduate formula grants from government totalled 13% of total university formula grants, or roughly \$186 million. In addition, the 693 graduate programs in the province have a significant steering effect on the system as a whole, and on the system's progress toward "rationalization" and "role differentiation". It should not be surprising, therefore, that Council has been, and continues to be, concerned about such matters as program quality, possible program duplication and the introduction of new graduate programs.

In this memorandum, Council briefly reviews developments in graduate program planning since 1976; describes recent exchanges between Council and the Council of Ontario Universities (COU); announces the formation of an Academic Advisory Committee of Council, which will assist Council in assessing graduate programs; and identifies matters for continuing discussion.

REVIEW OF RECENT HISTORY

In Advisory Memorandum 76-IV, Council advanced the concept of a quinquennial approach to graduate planning. Council's objectives for the first planning quinquennium, 1979-80 through 1983-84, were enunciated in Advisory Memorandum 77-VII, which was submitted in February, 1978:

1. Recognition and protection of outstanding doctoral programs;
2. Support of good quality graduate programs;
3. Elimination of graduate programs of unsatisfactory quality;
4. Prevention of further duplication of graduate programs;
5. Recognition of high quality graduate programs in new fields of study for which there is a genuine need;
6. Maintenance of a satisfactory amount of scholarship and research activity in the university system.

In the same memorandum, Council stated the criteria which it would apply during the first quinquennium in determining whether to recommend to the Minister that a new graduate program be funded:

1. Evidence of need in Ontario and Canada to be provided by the Advisory Committee on Academic Planning and endorsed by the Council of Ontario Universities;
2. Certification from the Advisory Committee on Academic Planning through the Council on Ontario Universities that no similar program in the field(s) proposed is available in Ontario. (In exceptional circumstances Council may be willing to entertain a recommendation from ACAP through COU for funding a master's program where there is a similar program in Ontario but where there is also strong evidence of regional importance and student demand);

3. Certification from the Advisory Committee on Academic Planning through Council of Ontario Universities that the proposed program has passed a rigorous appraisal and at the time of appraisal was not found to require improvement.
4. Certification from the institution that admissions to the program commenced prior to its being proposed for funding consideration.

In addition, Council warned that:

...funding approval for new graduate programs would no longer be an automatic matter and that Council's own task in the funding approval process would include the "balancing of fiscal realities and new initiatives".

On March 21, 1978, the Minister accepted Advisory Memorandum 77-VII.

In Advisory Memorandum 78-III, Council dealt with COU's 1978 brief to Council, *Graduate Planning in Ontario Universities*. It contained a list of 68 new graduate programs which, at the time, were being offered or proposed by the universities but were not receiving government formula funding grants. Council decided to recommend that 24 of these programs should receive formula grants as they had satisfied all of the criteria for government funding which had been in effect prior to the announcement, as of March 1978, of Council's new funding criteria. Two of the remaining 42 programs were proposed doctoral programs in Business. Council decided to defer making any recommendations regarding these programs until COU provided it with "plans for doctoral studies in Business in Ontario" and its view as to "how these plans fit in with the objectives for the first quinquennium". These two programs would have been in addition to three existing programs in Business, and so the question Council had to ask was "how many doctoral programs in Business are really needed in Ontario, and where should they be?" This matter is still before COU.

The remaining 40 unfunded programs had not satisfied the pre-March 21, 1978 criteria for government funding. Council decided that these 40, plus any new graduate programs proposed in the future, should be subjected to the funding criteria set out in Advisory Memorandum 77-VII.

It should be noted that Council's formulation of explicit objectives and criteria for the graduate system in Ontario grew out of Council's concern about the need for institutional role differentiation and rationalization among Ontario universities. In Advisory Memorandum 77-VII, Council summarized its thinking in this area:

Over the years there has been much discussion of institutional role differentiation and rationalization. The new era of straitened resources and declining graduate enrolments and the accompanying need for system-wide consolidation should encourage institutions to identify and give priority to the areas of graduate endeavour in which strength exists and which are key to the planned institutional identity.

The success of the graduate planning enterprise during the first quinquennium will be primarily dependent upon the pursuit of excellence by institutions in their areas of strength, and, of system rationalization by the university collectivity on the basis of quality and need.

There was considerable discussion within COU during 1978 and 1979 concerning Council's new funding criteria. In a letter to COU, dated October 30, 1979, Council reminded COU that satisfaction of the funding criteria would not necessarily guarantee a recommendation from Council for formula funding. The letter went on to state that:

Council needs assurance from COU, that from the viewpoint of 'a system on the brink', the program should be offered despite financial constraint. In this connection, and consistent with the goal of system rationalization, Council would like to be assured by COU that the particular institution could best offer the program and that the program is consistent with the aims, objectives and existing strengths of the institution. Such assurances are of great importance if Council's criteria are to be applied with a sense of perspective whereby, for example, a particularly desirable program might be funded even if a precise impression of external demand cannot be confirmed.

In September of 1979, COU forwarded to Council a list of ten new graduate programs (drawn from the previous 1978 list of new programs), which it felt should receive Government funding. Council referred back the list of ten programs because of "insufficient information", which to base its funding recommendations and COU was invited to resubmit the programs by January 10, 1980. Nine of the ten programs were resubmitted, but COU expressed the view that it was "premature" for it to address the question of institutional appropriateness given that the new funding criteria would be discussed at Council's 1980 funding hearings.

In Advisory Memorandum 79-VII, Council accepted COU's reason for not commenting on the question of institutional appropriateness, but made clear its expectation that in the future:

...each graduate program funding proposal forwarded to Council will include COU's assurance that the program should be funded despite restraint and also that the program is consistent with the aims, objectives and existing strengths of the particular institution. At present, Council is satisfied with the developments that have taken place and has assessed the nine funding proposals in this context.

Council recommended that the nine new programs be funded. The universities and COU were thereby given a year of grace in terms of satisfying the new funding criteria.

In August, 1980, COU forwarded proposals for six new graduate programs (which also appeared previously on COU's 1978 list) and once again declined to comment on the question of "institutional appropriateness". COU felt that the provision of such commentary would still be "premature". Since COU did not state explicitly that it was incapable of ever being able to provide the requisite assurance of institutional appropriateness, Council found itself in a difficult position. The issue of COU's ability to provide the required commentary on institutional appropriateness had to be resolved. Until this was done, Council decided (Advisory Memorandum 80-V) that the best course of action was not to commend formula funding approval for any of the six programs, but to open the possibility of considering them again when current uncertainties had been resolved.

In August, 1981, COU proposed another new program for formula funding (one that had not been on the 1978 list) - a doctoral program in Veterinary Science (DVSc) at the University of Guelph. Despite Guelph's well-established and unique involvement in the area of veterinary studies, COU once again declined to comment on the question of institutional appropriateness. This marked the third time in as many years that COU had declined to judge the appropriateness of a program in relation to the aims, objectives and existing strengths of one of its member institutions.

REPORTS AND RESPONSES

While an impasse was developing between Council and COU with regard to the application of program funding criteria, progress was taking place on other fronts. Council believes that many of the issues and problems which have arisen in graduate planning in the past few years are on their way to being resolved.

The COU Special Committee to Review Graduate Planning issued a *Discussion Paper* in June, 1980 and a *Final Report* in March, 1981. In September of 1980, Council issued *System Rationalization*, which included a section setting out a "sectoral approach" to graduate planning. These three reports, along with the report of the Committee on the Future Role of Universities in Ontario (CFRUO) have played a positive role in promoting the development of a more rational and effective approach to graduate program planning. Among other things, all four reports stressed the need for coordinating system-wide graduate program planning, and for clearly defining the respective roles of COU and OCUA in this area.

The *Final Report* of COU's Special Committee to Review Graduate Planning provided specific recommendations concerning the future of graduate planning in the Ontario system. COU, in June, 1981, adopted all of the report's major recommendations.

A New Appraisals System

One of the most important of these recommendations concerned the establishment of a new appraisals system. Under the new system, all existing programs, within the context of overall discipline appraisals, will be reviewed by the Appraisals Committee. The Appraisals Committee will review each program and discipline by examining sets of uniform appraisals submitted by each university. Then those programs judged not to be "sufficiently strong" will be subjected to "full appraisals", involving studies and reports by teams of external consultants. A full appraisal will also be required for any proposed new program; programs that have not previously undergone an appraisal or that have not been part of a discipline assessment; and programs which previously had been questioned during the course of a discipline assessment to the extent that they were subsequently subjected to an appraisal during which further concerns were raised. The new system will guarantee that all programs are reviewed at least once every five years.

Another major change in the appraisals area involves the respective roles of the Appraisals Committee and its appointed consultants. In the past, the consultants made recommendations concerning whether or not a program should be continued. Under the new system, the consultants will present a report to the Appraisals Committee, but will not make any recommendations concerning the continuance of the program. Such recommendations will be the responsibility of the Appraisals Committee, acting on the basis of the information presented in the reports of the consultants. COU's Ontario Council on Graduate Studies (OCGS) may challenge decisions of the Appraisals Committee, but only on matters relating to procedure.

Council expects that the new appraisals procedures will have sufficient academic rigour so that they can be relied upon as indicators of quality. For its part, Council will take account of the results of the appraisals procedures when making recommendations to the Minister concerning graduate programs.

Master's Programs in Central Disciplines

The COU Special Committee to Review Graduate Planning recommended, and COU agreed, that master's programs in "central disciplines" should, in order to qualify for funding, be subject only to Council's quality criterion and so should be exempt from other funding criteria. In light of the current climate of financial restraint, the possible restructuring of the university system, and the commitment of Council and the Minister to the concept of institutional role differentiation and rationalization, Council is not prepared, at present time, to recommend that controls should be relaxed for new program initiatives at the master's level.

The Sectoral Approach

COU endorsed the Special Committee's proposal that the development of the "sectoral approach" to graduate planning be pursued through discussion with representatives of Council. The "sectoral approach", as discussed in *System Rationalization*, is designed to facilitate and encourage institutional role differentiation and provides some institutional flexibility in graduate program planning. The approach involves the development of indicators of institutional strengths. In *System Rationalization*, Council used only one such indicator—doctoral enrolment levels. Council realized that enrolment was only one of many indicators that could be utilized and that the sectoral approach needed considerable refinement.

COU has now recognized the potential value of the sectoral approach. Representatives of Council and of COU are currently engaged in some useful discussions concerning refinement of the approach, the results of which are expected by the end of the year.

Roles of COU and OCUA

In the concluding sections of its *Final Report*, the COU Special Committee dealt with the respective roles of COU and Council, stating that:

Experience has shown that COU, given its nature, being representative of the institutions, cannot effectively deal with the review of programme proposals according to a set of planning criteria which it has not established itself. In particular, COU should not be expected to deal with the question of role definition of its member institutions. In these matters, COU's role should be restricted to offering general advice to OCUA, which properly has the responsibility to recommend to government with respect to them.¹

This position was endorsed by COU at its meeting in June, 1981.

Further, COU agreed with its Special Committee that Council should establish an Academic Advisory Committee. As a result of adopting the Special Committee's proposal concerning a new appraisals system and in anticipation of Council establishing an Academic Advisory Committee, COU disbanded its own Advisory Committee on Academic Planning (ACAP). In August, 1981, the Committee on the Future Role of Universities in Ontario joined COU in endorsing the concept of Council having an Academic Committee.²

Council has often stated that it would prefer that the university system be self-regulating with regard to graduate program planning. It has become evident, however, that because COU is a voluntary organization it is unable to carry out all of the necessary and urgent tasks required in the area of graduate program planning. COU has decided that in this area it is going to restrict itself to the "operation of the appraisals system (through the Ontario Council on Graduate Studies), and a broad planning and monitoring role (through a new Committee on Graduate Planning)".³ Therefore, primarily in order to assist Council with

¹ COU Special Committee to Review Graduate Planning, *Final Report*, March 1981, p. 16.

² CFRUO, *Report*, August 1981, p. 32.

³ *Final Report*, p. 16.

such matters as the question of institutional appropriateness and the application of Council's funding criteria for new graduate programs, Council is establishing an Academic Advisory Committee.

ACADEMIC ADVISORY COMMITTEE

This Committee, which will be operational early in 1982, is to be appointed by Council, will be composed of seven members broadly representative of various discipline sectors. No member of Council will be eligible to serve on the Committee. The Committee will advise Council on any and all matters referred to it by Council, including:

- monitoring COU's new appraisals system.
- reviewing proposals for new graduate programs in light of Council's funding criteria (see Advisory Memoranda 77-VII, 79-VII, and 80-V).
- reviewing proposals for new undergraduate professional programs (see Advisory Memoranda 77-V and 80-IV).
- reviewing COU's annual compilation of doctoral program macro-indicators (which continue to be of invaluable assistance to Council).

The Committee will report to Council, which may accept or reject, in whole or in part, the advice rendered by the Committee.

Conclusion

Council believes that the roles of COU and Council in the area of graduate program planning have now been clearly defined. Accordingly, the seven new graduate programs which COU has recommended to Council for consideration will be examined by Council's Academic Advisory Committee.

W. C. Winegard
Chairman
November 20, 1981

-VIII Response to the Report Concerning Full-Time University Education in Orillia

On October 16, 1981, the Minister of Colleges and Universities submitted to Council the *Report of the Committee to Review Alternate Ways and Means of Providing Full-Time University Education in Orillia* and asked for Council's "comments on the report's recommendations". Council has reviewed the Committee's report, along with various responses received by the Ministry from interested organizations. Council now provides the following comments and recommendation.

In general, Council views the arrangements outlined in the Committee's report with apprehension. The evidence is not clear that there would be a significant number of students in the Simcoe County area who would wish to attend university on a full-time basis and would choose not to attend full-time at one of the existing universities. Furthermore, the report does not address the possibility of a more co-ordinated approach, building on the combined strengths of Wilfrid Laurier University, York University, and perhaps other institutions, as a more effective approach to the provision of university-level education in the Simcoe County area.

For the most part, Council views the Committee's recommendations¹ as tentative "articles of agreement" among York University, Georgian College and the Simcoe County Board of Education, and thus has no comment on these recommendations at this time. Recommendation 8., however, specifically requests that the Ministry "provide a special non-recurring grant of \$30,000" for the purchase of library materials by York University.

Council supports, in principle, initiatives directed towards the provision of university-level education for individuals not geographically proximate to an existing university campus. In considering any such initiatives, however, it is important that the following criteria be applied:

- a) that the offering of courses by an individual institution will be consistent with the concept of system rationalization,
- b) that there will be extensive and effective co-operation and co-ordination between or among universities, and other educational institutions, offering courses in the same geographic area, and
- c) that financial support will be based on the current funding mechanisms for the universities of Ontario.

In view of the principles enunciated above, and the fact that Wilfrid Laurier University already provides significant library resources in Simcoe County² to service its extensive course offerings in that area, Council does not support Recommendation 8. Furthermore, Council acknowledges the point made by Dr. G. Connell, in his letter on behalf of the Council of Ontario Universities,³ that such a grant "would clearly raise expectations for similar treatment" on the part of other communities.

¹ Committee to Review Alternate Ways and Means of Providing Full-Time University Education in Orillia, *Report*, September 1, 1981, p. 11-13.

² Wilfrid Laurier University, *Response from Wilfrid Laurier to the Report of the Committee to Review Alternate Ways and Means of Providing Full-Time University Education in Orillia*, November 11, 1981, p. 8.

³ Letter from Dr. G. E. Connell to Minister of Colleges and Universities, November 9, 1981.

Accordingly, Council *recommends to the Minister:*

OCUA 81-14

*GRANT TO PURCHASE BOOKS FOR A UNIVERSITY LEVEL LIBRARY TO
BE LOCATED IN ORILLIA*

THAT a special non-recurring grant of \$30,000 to purchase the books required
for a university level library to be located in Orillia NOT be provided.

W. C. Winegard
Chairman
December 11, 1981

-IX The Allocation of the Government's Operating Support for the University System in 1982-83

The Minister of Colleges and Universities informed Council on February 18, 1982 that, for 1982-83, \$1,036.167 million in operating grants will be made available for the university system. Of this amount, \$1,029.792 million is available for Council's basic funding objectives and the grant-in-aid for the Bar Admission Course. The remaining \$6.375 million is retained by the Ministry of Colleges and Universities for line budget items.

In addition to the operating grants announcement, the Minister also announced that formula fee rates for domestic students will increase by 12.2%. If this domestic formula fee increase is applied to Council's estimate of total student enrolment in 1982-83, it will yield an estimated \$25.855 million in additional formula fee revenue. In addition, however, formula fee rates for new foreign student registrants (as of September 1, 1982) will increase by more than 12.2%. Fees for new foreign student registrants enrolled in programs with a formula weight of 1.5 or less will increase from the present \$1,773 to \$2,700, while the term fees for new foreign student registrants enrolled in all other programs will increase from \$1,773 to \$4,400. The Ministry of Colleges and Universities estimates that, as a result of that portion of the increased foreign student fees which is in excess of 12.2%, the university system will receive a further \$4.0 million in additional revenue in 1982-83.

Based on the above estimates of the increase in formula and foreign student fee revenue and an estimated 2% increase in enrolment, total grant and fee revenue accruing to the university system in 1982-83 is expected to equal \$1,258.622 million,¹ representing a 2% or \$142.522 million increase in funding for the system from these two sources over 1981-82. It should be noted that the \$1,029.792 million in operating grants designated for Council's basic funding objectives, combined with the estimated formula and foreign student fee increase of \$29.855 million, falls \$20.953 million short of Council's basic funding objectives and \$32.153 million short of Council's total recommendation for operating support of \$1,344.3 million (\$1,333.1 million for basic funding objectives; \$1.2 million for grant-in-aid for the Bar Admission Course and funding of existing bilingualism programs; and \$10.0 million for additional funds for equipment and library acquisitions).

This memorandum outlines Council's advice on the distribution of the \$1,029.792 million that has been made available for operating grants. Included are recommendations for the allocation of differentiation grants, Northern Ontario grants, bilingualism grants, supplementary grants, the grant-in-aid for the Bar Admission Course, a provision for final enrolment adjustment and the distribution by formula of the funds remaining after the above allocations.

¹ This amount does not include any revenue that would accrue to the universities should they decide to exercise their freedom to charge tuition fees up to 10% above formula fee rates.

Differentiation Grants

In Advisory Memorandum 80-VI, Council introduced differentiation grants as a new category of extra formula funding for institutions that accept a clearly differentiated role, demonstrate their intention to pursue their strengths efficiently and effectively, and request special funding to do so. Council also made it clear that the renewal or continuation of such a grant would depend entirely on the progress the institution makes towards attaining its goals over the period for which the grant is awarded.

In 1981-82, Trent University became the first recipient of a differentiation grant in recognition of its distinct character as the only institution in the Province engaged almost entirely in undergraduate Arts and Science instruction. At that time, Council emphasized that the renewal of this grant beyond 1981-82 was conditional upon Trent continuing its search for more efficient ways of carrying out its role as a primarily undergraduate Arts and Science institution and making evident progress toward the pruning and consolidation of its graduate offerings.

Council believes that Trent is taking appropriate steps to enhance its role. For example, in the past year, Trent has demonstrated significant progress in the modification of its graduate program offerings. Programs in Physics, Chemistry and History have been withdrawn and, appropriately, in the area of Canadian studies plans are underway to develop a multi-disciplinary program.

In terms of Trent's making progress toward a mode of operation more closely aligned with available resources, Council notes with approval the determination of the Board of Governors to eliminate the accumulated deficit within a reasonable time-period. In view of the actions already taken by Trent, its continuing search for more efficient ways of carrying out its role as a primarily undergraduate Arts and Science institution, and its plans to prune and consolidate its graduate offerings, Council accordingly *recommends to the Minister*

OCUA 81-15

DIFFERENTIATION GRANT FOR TRENT UNIVERSITY 1982-83

THAT a differentiation grant of \$1,400,000 be made to Trent University in 1982-83.

In making the above recommendation, Council emphasizes, once again, that the award of a differentiation grant to Trent University in 1983-84 will depend upon the provision of firm evidence that the institution is continuing to make progress towards the objectives outlined above.

Northern Ontario Grants

Council indicated in Advisory Memorandum 80-VI that it anticipated undertaking a thorough review of the Northern Ontario grants during 1981-82.

While Council did not undertake such a review in 1981, it did initiate a review of the delivery of university-level education in Northeastern Ontario. Council appointed Professor A. N. Bourns as a consultant to examine university education in the region. Professor Bourns met with representatives of the institutions involved and has made several recommendations to them and to Council. At its 1982 Spring hearings Council will review these findings and recommendations with the institutions concerned.

For 1982-83, the value of the Northern Ontario grants to Lakehead and Laurentian universities and Laurentian's affiliated colleges is calculated according to the "mini-formula" outlined in Advisory Memorandum 75-VII. On the basis of this formula, each grant is determined with reference to the prior year's Basic Operating Income of each institution. Accordingly, Council *recommends to the Minister*:

OCUA 81-16

NORTHERN ONTARIO GRANTS 1982-83

THAT Northern Ontario grants in 1982-83 be made in the following amounts:

Lakehead	\$1,805,000
Laurentian	1,748,000
Algoma	177,000
Laurentian (Algoma)	10,000
Nipissing	274,000
Laurentian (Nipissing)	14,000
Hearst	102,000

Bilingualism Grants

In Advisory Memorandum 80-VI it was noted that the full incremental costs of bilingual programs, as documented in Advisory Memorandum 77-IV, had not been met by Government grants. Advisory Memorandum 81-II again recommended that the remaining shortfall in grants be funded by Government. Government did not meet this request.

For 1982-83, therefore, the total funds available for distribution by Council are equal to total of the previous year's grants increased by the percentage increase in total university operating grants (12.2%). Council is again recommending that total available bilingualism grants be allocated according to the incidence of incremental bilingualism costs, as identified by Council's 1976-77 cost study documented in Advisory Memorandum 77-VI.

In Advisory Memorandum 77-VI, Council indicated that in 4 to 6 years bilingualism costs would again be reviewed to determine the appropriate level and distribution of grants for a subsequent period of similar length. Council expects to conduct such a review in the coming year using 1981-82 cost data. Accordingly, Council *recommends to the Minister:*

OCUA 81-17

BILINGUALISM GRANTS 1982-83

THAT bilingualism grants in 1982-83 be made in the following amounts:

Ottawa	\$6,155,000
Laurentian	1,521,000
Glendon	194,000
Hearst	76,000
Sudbury	28,000
St. Paul	296,000

Supplementary Grants

For a number of years, Council has followed a policy of reducing annually the value of supplementary grants. In 1981-82, Lakehead University was the only institution awarded a supplementary grant and received \$150,000. For 1982-83, Council continues to adhere to its policy of reducing the value of supplementary grants and recommends that the supplementary grant to Lakehead University be eliminated.

However, consistent with the position taken by Council when Brock University and Laurentian University were removed from the list of institutions eligible to receive supplementary grants, Council proposes that a terminal grant of \$100,000 be provided to Lakehead University for the year 1982-83. Accordingly, Council *recommends to the Minister:*

OCUA 81-18

TERMINAL SUPPLEMENTARY GRANT TO LAKEHEAD UNIVERSITY 1982-83

THAT a terminal supplementary grant of \$100,000 be made to Lakehead University in 1982-83.

Bar Admission Course

It has been Council's practice in recent years to recommend that the grant-in-aid for the Bar Admission Course be increased by the same percentage as that accorded the university system as a whole. Council continues to apply this policy and proposes that the grant-in-aid for the Bar Admission Course for 1982-83 be increased by 12.2% over the \$566,000 allocated in 1981-82. Council accordingly *recommends to the Minister:*

OCUA 81-19

GRANT TO THE LAW SOCIETY OF UPPER CANADA ON BEHALF OF THE BAR ADMISSION COURSE 1982-83

THAT a grant of \$637,000 be made to The Law Society of Upper Canada for support of the Bar Admission Course in 1982-83.

Basic Income Unit Values

Of the \$1,029.792 million available for distribution in 1982-83, Council has recommended that \$14.537 million be made available for Northern Ontario, bilingualism, supplementary and differentiation grants, and for the grant-in-aid for the Bar Admission Course.

In addition to these deductions, shown in Table I, \$1.205 million has been set aside by Council as the provision for final enrolment adjustment. This amount is intended to offset any discrepancy between the estimated weighted enrolment for 1981-82 and the actual enrolment figures. The amount remaining for distribution by formula grants after deductions for non-formula grants and enrolment adjustment is \$1,014.050 million. It should be noted that the unused portion of the provision for final enrolment adjustment will also be distributed according to the funding formula.

TABLE I

**Availability of Funds for Distribution as Graduate
and Undergraduate Formula Grants for 1982-83**

Available for Council's Allocative Recommendation		\$1,029,792,000
Deduct:		
Northern Ontario Grants	\$ 4,130,000	
Bilingualism Grants	8,270,000	
Supplementary Grants	100,000	
Differentiation Grants	1,400,000	
Bar Admission Course	637,000	
Sub-Total	\$14,537,000	
Provision for Final Enrolment Adjustment	1,205,000	
Total Deductions		15,742,000
Available for distribution as Graduate and Undergraduate Formula Grants		\$1,014,050,000

ulated on an amount of \$1,014.050 million available for distribution by formula
ts, the value of the undergraduate Basic Income Unit (BIU) is \$3,666 and the
uate BIU is \$3,573. The undergraduate allocation is calculated in accordance with
undergraduate funding formula established in Advisory Memorandum 76-VII. The
uate BIU allocation is calculated according to the method specified in Advisory
memorandum 78-III. Council accordingly *recommends to the Minister:*

OCUA 81-20
GRADUATE AND UNDERGRADUATE BIU VALUES FOR 1982-83

THAT for 1982-83, the graduate BIU value be not less than \$3,573 and the
under-graduate BIU value be not less than \$3,666.

es II and III summarize the distribution of grants and Basic Operating Income based on
recommendations contained in this memorandum. Table II documents, by institution,
formula and non-formula grants recommended by Council for 1982-83, along with the
ts' total for 1981-82 and the percentage increases in grants between the two years.

Table III outlines the Basic Operating Income and non-formula grants of each institution for 1982-83 and the corresponding sum of these figures for 1981-82. Council notes that while Basic Operating Income is a more accurate measure of expected revenue for the university system than the grants alone, the fee portion of Basic Operating Income differs from actual revenue collected by the system. An explanation of the basis for the difference and its implications is found in the Appendix to Advisory Memorandum 78.

W. C. Winegard
Chairman
February 26, 1982

1982-83 Recommendations

	Formula Grants	Northern Ontario Grants	Bilingualism Grants	Differentiation Grant	Supplementary Grant, Special Grant & Final Enrolment Adjustment	Total Grants Recommended	1981-82 Total Grants	% Change
Brock	17,232					17,232	14,869	15.9
Carleton	50,631					50,631	45,993	10.1
Guelph	61,546					61,546	55,614	10.7
Lakehead	15,228	1,805			100	17,133	15,415	11.1
Laurentian	14,377	1,748	1,549			17,674	15,852	11.5
Algoma	1,140	177				1,317	1,269	3.8
Laurentian (Algoma)	135	10				145	69	110.1
Nipissing	2,305	274				2,579	2,092	23.3
Laurentian (Nipissing)	178	14				192	98	95.9
Hearst	298	102	76			476	467	1.9
Laurentian (Hearst)	24					24	0	NA
McMaster	67,518					67,518	60,944	10.8
Ottawa	79,221		6,451			85,672	77,039	11.2
Queen's	70,693					70,693	63,286	11.7
Toronto	230,016					230,016	205,837	11.7
Trent	9,827			1,400		11,227	10,255	9.5
Waterloo	78,409					78,409	70,253	11.6
Western	104,962					104,962	92,848	13.0
Wilfrid Laurier	19,712					19,712	17,155	14.9
Windsor	43,455					43,455	38,837	11.9
York	80,484		194			80,678	70,257	14.8
OISE	14,638					14,638	13,342	9.7
Ryerson	45,504					45,504	40,765	11.6
OCA	6,416					6,416	5,681	12.9
Dominican	101					101	91	11.0
TOTAL	1,014,050	4,130	8,270	1,400	100	1,027,950	918,328	11.9
Bar Admission					637			
Final Enrolment Adjustment					1,205			

- Notes: 1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.
2. 1982-83 formula grants are calculated using an undergraduate BIU value of \$3,666, a graduate BIU value of \$3,573 and formula fee rates increased by 12.2% over their 1981-82 levels.
3. Bilingualism grants for affiliated institutions are included with the parent institutions.
4. 1981-82 grants were calculated using an undergraduate BIU of \$3,316 and a graduate BIU value of \$3,232.
5. The 1981-82 grant total for Ryerson includes the \$300,000 awarded as a result of Advisory Memorandum 81-VI

TABLE III
Distribution of Basic Operating Income and Grant Recommendations in Advisory Memorandum 81-IX
(\$ Thousands)

	1982-83 Recommendations						1981-82 BOI plus Northern, Bilingualism, Supplementary & Special Grants	% Change
	Basic Operating Income (BOI)	Northern Ontario Grants	Bilingualism Grants	Differentiation Grants	Supplementary Grant, Special Grant & Final Enrollment Adjustment	BOI Plus Northern, Bilingualism, Differentiation, Supplementary & Special Grants		
Brock	20,811					20,811	17,931	16.1
Carleton	61,571					61,571	55,735	10.5
Guelph	71,624					71,624	64,515	11.0
Lakehead	18,432	1,805				20,337	18,231	11.6
Laurentian	17,803	1,748	1,549		100	21,100	18,891	11.7
Algoma	1,541	177				1,718	1,649	4.2
Laurentian (Algoma)	162	10				172	84	104.8
Nipissing	2,838	274				3,112	2,536	22.7
Laurentian (Nipissing)	215	14				229	118	94.1
Hearst	403	102	76			581	571	1.8
Laurentian (Hearst)	27					27	0	NA
McMaster	78,982					78,982	71,109	11.1
Ottawa	93,620		6,451			100,071	89,737	11.5
Queen's	82,556					82,556	73,714	12.0
Toronto	266,418					266,418	237,770	12.0
Trent	12,369			1,400		13,769	12,507	10.1
Waterloo	93,524					93,524	83,520	12.0
Western	124,424					124,424	109,781	13.3
Wilfrid Laurier	24,361					24,361	21,228	14.8
Windsor	52,380					52,380	46,701	12.2
York	97,598		194			97,792	85,117	14.9
OISE	16,101					16,101	14,661	9.8
Ryerson	52,888					52,888	47,270	11.9
OCA	7,662					7,662	6,766	13.2
Dominican ¹	133					133	120	10.8
TOTAL	1,198,443	4,130	8,270	1,400	100	1,212,343	1,080,262	12.2
Bar Admission					637			
Final Enrollment								
Adjustment								1.00%

OCUA Public Meetings, 1981-82

CUA Public Meetings 1981-82

Due to the expected activities of the Committee on the Future Role of Universities in Ontario, the Ontario Council on University Affairs cancelled its 1981 Spring Hearings, and scheduled meetings with Laurentian University, the Laurentian affiliates, and the Council of Ontario Universities.

Institution or Organization and Place of Meeting

October 10, 1981	Council of Ontario Universities (Queen's Park)
November 1, 1981	Laurentian University, Algoma University College, Le Collège Universitaire de Hearst, Nipissing University College (Algoma University College)

**OCUA Recommendations and
Government Responses, 1981-82**

OCUA Recommendations and Government Responses, 1981-82

Recommendations Number	Title	Response
Advisory Memorandum 81-I		
1	Ontario Graduate Scholarship Stipends 1982-83	Not Accepted
2	Institutional Awards to Universities without Doctoral Programs	Accepted
3	Ontario Graduate Scholarships to Recent Landed Immigrants and Persons on Student Visas	Accepted
4	Number of Ontario Graduate Scholarship Awards in 1982-83	Accepted
Advisory Memorandum 81-II		
5	Government Operating Grants for 1982-83 to meet the Cost of Council's Basic Objectives in Funding the Operation of Provincially-assisted Universities and their Affiliated Colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College	Not Accepted
6	Formula Fee rates for 1982-3 to meet the Cost of Council's Basic Objectives	Not Accepted
7	Funding for 1982-83 for existing Bilingualism Programs and the Bar Admission Course	Not Accepted
8	Equipment and Library Funding for 1982-83	Not Accepted
9	Level of Support for Major Repairs, Renovations and Replacement Projects in 1982-83	Not Accepted
Advisory Memorandum 81-III		
Advisory Memorandum 81-IV		
10	Funding for the Undergraduate Program in Geological Engineering at the University of Waterloo	Accepted
Advisory Memorandum 81-V		
Advisory Memorandum 81-VI		
11	Institutional Formula Weight for Ryerson Polytechnical Institute's Formula Funding Base	Accepted
12	Institutional Formula Weight for Ryerson Polytechnical Institute's Three-Year Moving Average	Accepted
13	Additional Funds required for the University System in 1981-82 in Recognition of the Institutional Weight Changes for Ryerson Polytechnical Institute	Accepted
Advisory Memorandum 81-VII		

Advisory Memorandum 81-VIII

81-14	Grant to Purchase Books for a University Level Library to be Located in Orillia	Accept
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Advisory Memorandum 81-IX

81-15	Differentiation Grant for Trent University 1982-83	Accept
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81-16	Northern Ontario Grants 1982-83	Accept
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81-17	Bilingualism Grants 1982-83	Accept
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81-18	Terminal Supplementary Grant to Lakehead University 1982-83	Accept
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81-19	Grant to the Law Society of Upper Canada on behalf of the Bar Admission Course 1982-83	Accept
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81-20	Graduate and Undergraduate BIU Values for 1982-83	Accept
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1982-1983

**Ontario
Council on
University
Affairs**

**Ninth
Annual
Report**

Ontario Council on University Affairs

**Ninth
Annual
Report
March 1, 1982
to
February 28, 1983**

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Seventh Floor,
Toronto, Ontario
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March, 1983

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Letter of Transmittal



Ontario
Council on
University
Affairs

416/965-5233

7th Floor
700 Bay Street
Toronto, Ontario
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February 28th, 1983

The Honourable Bette Stephenson, M.D.,
Minister of Education, Colleges & Universities,
22nd Floor, Mowat Block,
Queen's Park,
Toronto,
Ontario.

Dear Dr. Stephenson,

I respectfully submit herewith the Ninth Annual Report of the Ontario Council on University Affairs, which covers the period from March 1st, 1982 to February 28th, 1983.

Yours sincerely,

A handwritten signature in cursive script that reads "B.C. Matthews".

B.C. Matthews
Chairman

Members and Officers of the Ontario Council on University Affairs 1982-1983

Charles N. Armstrong (1985)
Ottawa

Charles M. Carmichael (1984)
London

Jack Cole (1985)
Willowdale

J. Stefan Dupré (1983)
Toronto

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Brian O'Riordan
Research Officer

J. Paul Stenton
Research Officer

Susan Pape
Administrative Assistant

(Members' terms expire on February 28 of the year indicated in parenthesis.)

Introduction

Introduction

The Ninth Annual Report of the Ontario Council on University Affairs covers the period March 1, 1982 to February 28, 1983 and contains the full text of all Advisory Memoranda issued during the year. In addition the present report contains the text of a paper released by Council in January 1983 entitled: "A Financial Analysis of the Ontario University System - 1982". As usual, the report also contains a list of the public meetings held by Council in 1982 and the response of the Government to the recommendations made by Council.

**A Financial Analysis of the Ontario
University System - 1982**

Executive Summary

Since 1977-78, the last year in which Council's funding advice was accepted by Government, the universities have received annual increases in operating grants of 5.8%, 5.1%, 7.2%, 10.1% and 12.2%. Government budgetary expenditures (excluding debt servicing) increased annually by 6.7%, 9.9%, 9.4%, 12.5% and 10.8% for the same five years (1978-79 to 1982-83). These figures indicate that, until 1982-83, the universities received a declining share of Government expenditures. While this trend has been reversed for 1982-83, the universities remain unable to maintain the quality of service at the 1981-82 level, let alone recoup any of the shortfall of previous years. If the universities' share of total Government budgetary expenditure (excluding debt servicing) had been maintained at the 1977-78 level, the universities would have received an additional \$500 million over the last five years. (*Introduction*)

In comparison with universities in other provinces, Ontario universities have fared poorly in terms of Government operating support and operating income. In 1974-75, Ontario ranked seventh in operating grants per FTE student and sixth in operating income per FTE student. By 1980-81, Ontario ranked tenth in operating grants per FTE student and ninth in operating income per FTE student. In order for Ontario universities to have been funded at the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1980-81, the Government of Ontario would have had to provide an additional \$264 million in operating grants in that year alone. It does not appear that the Ontario universities' relative financial position improved in 1981-82 or 1982-83. (*Section A*)

Government operating support and total operating revenue received by Ontario universities have lagged behind those received by elementary and secondary schools in the province. From 1970-71 to 1981-82, university operating grants per FTE student and university revenue per FTE student have declined in real terms by about 22%. On the other hand, over the same period, elementary and secondary school revenue per pupil increased in real terms by 40% and 37% respectively when the provincial contribution to the Teachers' Superannuation Fund is included and by 32% and 33% respectively when it is excluded. (*Section B*)

The universities have experienced significant fluctuations in total enrolment and shifts in enrolment among disciplines in recent years. The shifts in enrolment among disciplines have limited the capacity of the institutions to adjust to total funding constraints. (*Section C*)

The number of FTE faculty positions in Ontario universities has declined by about 2% since 1977-78. More significant is the fact that mean salaries for full-time faculty increased by only 39.8%, while the CPI rose by 48.4%. Furthermore, the mean salary of faculty in Ontario universities has lagged behind that of the Western provinces and Quebec even though the mean age of Ontario faculty is higher than that found in those regions. (*Section D*)

The universities have responded to the recent financial constraints by curtailing expenditures on non-salary items such as equipment and furniture and library book and periodical acquisitions. From 1976-77 to 1981-82, equipment and furniture expenditures declined in real terms by about 16%. This decline was in part alleviated in 1982-83 when \$8.2 million in research equipment grants was made available to the universities by the Board of Industrial Leadership and Development (BILD) for the purchase of specific scientific and engineering equipment. From 1976-77 to 1981-82 expenditures on library book and periodical acquisitions declined in real terms by about 21%. (*Sections E and F*)

The constraints on capital funding have been even more severe than those imposed on operating support. From 1976-77 to 1982-83, Government support for capital expenditures has fallen short of Council's total recommendations by \$18.6 million. For 1982-83 Government has undertaken a new capital funding initiative by providing \$5.5 million for labour intensive building repair projects through the Board of

Industrial Leadership and Development. Many of the capital projects funded in 1982-83, whether they are funded through the Ministry of Colleges and Universities capital grants program or under the BILD program, are aimed at upgrading existing facilities to meet fire, occupational health and structural safety requirements. (*Section G*)

Funding of research in the universities improved in 1982-83 as a result of budget increases for the Natural Sciences and Engineering Research Council, the Medical Research Council and the Social Sciences and Humanities Research Council of 12.5%, 13.3% and 20.9% respectively. In addition to the \$8.2 million provided under the BILD program in 1982-83 for the purchase of research equipment in science and engineering, the Government of Ontario has allocated \$1.78 million towards new or expanded research employment contracts with industry. (*Section H*)

Introduction

Each year, the Ontario Council on University Affairs advises Government on the level of funding required to maintain Ontario's universities. Since 1978-79, Government grants have annually fallen short of Council's funding advice. In the following years, Council prepared a series of annual financial papers examining Government's funding policies and analyzing the impact of underfunding on the university system.¹ In this paper, Council updates and augments that analysis.

In *A Financial Analysis of the Ontario University System - 1981* (December, 1981), Council noted that, from 1978-79 to 1981-82, "annual university operating grants increases averaged 2.6% below the annual increases in Government budgetary expenditures (excluding debt servicing)".² This trend of allocating to the university system a declining share of Government budgetary expenditures was reversed for 1982-83 as total Government budgetary expenditures are projected to increase by 10.8%, while the total operating grants to universities will increase by 12.2%. However if, as Council anticipates, enrolment increases by 4% to 5% in 1982-83, the funding increase will be insufficient to maintain quality of service at the 1981-82 level, let alone recoup any of the shortfall which the universities' have experienced in previous years.

During the five-year period in which Council's funding advice has not been accepted (1978-79 to 1982-83), the universities' share of total Government budgetary expenditure (excluding debt servicing) will show a decline of about 15%, while university enrolment will increase by about 9% to 10%. If the universities' share of total Government budgetary expenditure (excluding debt servicing) had been maintained at the 1977-78 level, the universities would have received an additional \$500 million over the past five years.

Section A of this paper compares Government funding and total revenue of the Ontario university system with that of other provincial university systems. In Section B, similar comparisons are made with the funding and revenue of the elementary and secondary school system within Ontario. In each case, the Government funding and total revenue positions of Ontario universities compare unfavourably with these other sectors of activity. Section C discusses the changes that have occurred in recent years to total enrolment and to enrolment in various discipline sectors and notes that shifting demands for university programs and services have compounded the universities' difficulties in adjusting to financial constraints.

Sections D, E and F explore the impact of the financial constraints experienced by Ontario universities on key components of their operating expenditures. Section D examines the impact on faculty and staff resources and Sections E and F detail the effects of funding constraints on expenditures for equipment and furniture and for library acquisitions. Despite increasing and shifting demands for services, the faculty and staff complements have nevertheless been reduced in recent years, and expenditures on equipment, furniture and library acquisitions have declined substantially in real terms.

In Section G, provincial funding constraints on capital assistance are shown to have been even more restrictive than those on operating grants. In 1982-83, virtually all the funding for new projects has been allocated to upgrade existing facilities to meet the new, occupational health and structural safety requirements of the Ministry of Labour. Section H consists of a brief progress report on Canada's efforts to increase its research and development activity and outlines recent developments in federal and provincial funding of university research.

1. OCUA, *System on the Brink: A Financial Analysis of the Ontario University System - 1979*, September, 1979.
 OCUA, *A Financial Analysis of the Ontario University System - 1980*, September, 1980.
 OCUA, *A Financial Analysis of the Ontario University System - 1981*, December, 1981.

The university system refers to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, and the Ontario College of Art.

2. OCUA, *Eighth Annual Report*, 1981-82, p. 13.

(A) Interprovincial Comparisons

Council has noted, on a number of occasions, that Ontario universities have faced more severe constraints than universities in most other provinces even though all Provincial Governments have a declared policy of fiscal restraint. Recent data suggest that Ontario's comparative position continued to worsen in 1980-81 and 1981-82, but may have improved marginally in 1982-83.

Table 1 of the Appendix shows the provincial operating grants per full-time equivalent (FTE) university student for each province in Canada, and also the weighted average grant per FTE university student for the nine provinces excluding Ontario, for the period 1974-75 to 1980-81. This indicator, in effect, measures the level of government support made available to universities, taking into account the number of students supported by these funds.³ Over the period indicated, Ontario declined in rank from seventh to tenth position. Ontario's position, relative to other regions in Canada (the Western provinces, Quebec and the Atlantic provinces) and to the weighted average of the other nine provinces, is illustrated graphically in Figure 1.

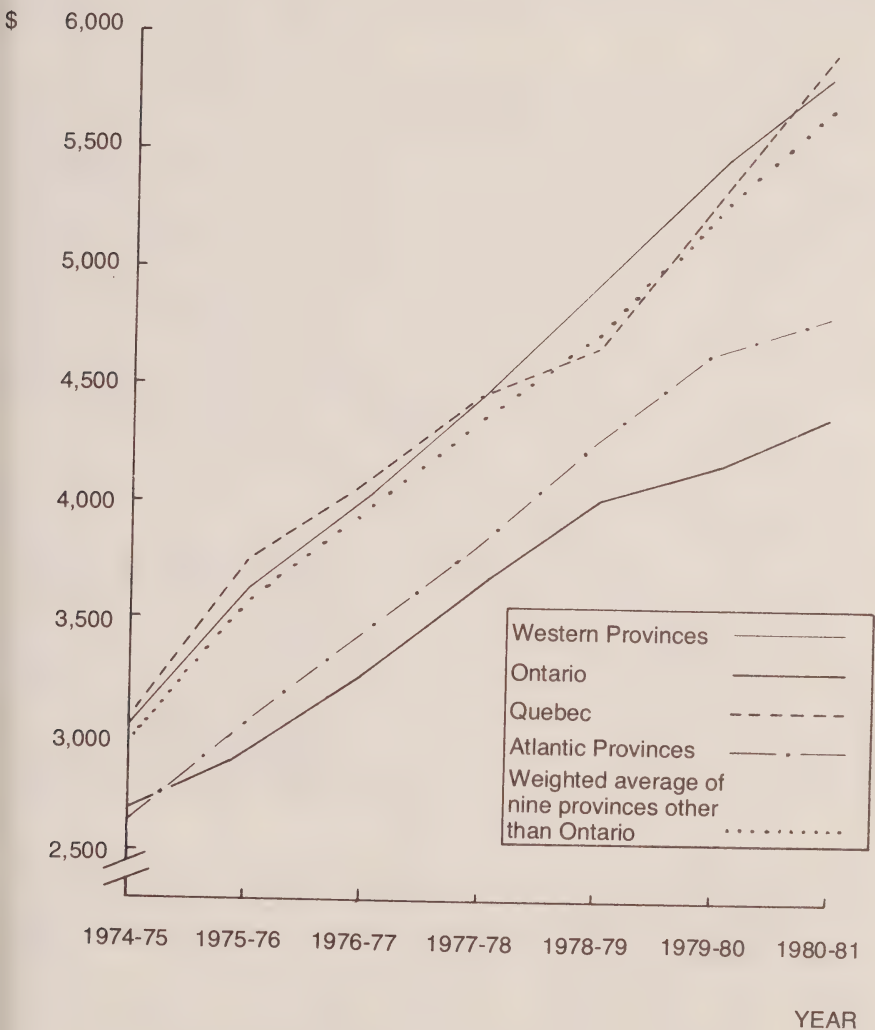
Table 2 of the Appendix presents the total university operating income per FTE student for each province for the years 1974-75 to 1980-81. In that period, Ontario dropped from sixth to ninth position among all provinces in operating income per student. Figure 2 indicates that, since 1975-76, Ontario universities have lagged behind those of Quebec, the Western provinces and the Atlantic provinces in level of annual operating income per student.

Table 3 of the Appendix shows the percentage change in Government grants, fees and enrolment in each province for 1981-82 and estimated for 1982-83. Ontario's grant, fee and enrolment increases in these two years are shown to be in the middle to lower end of the range. Based on these indicators, Council has no reason to expect Ontario's comparative position to improve.

3. Operating grants include: (i) funds provided for the operation of institutions within the province (ii) funds provided to other provincial governments to support the training of students originating in the province but enrolled in special programs in institutions which are located outside the province.

FIGURE 1

**Interprovincial Comparison of University Grants:
Provincial Operating Grants per FTE Student,
1974-75 to 1980-81**

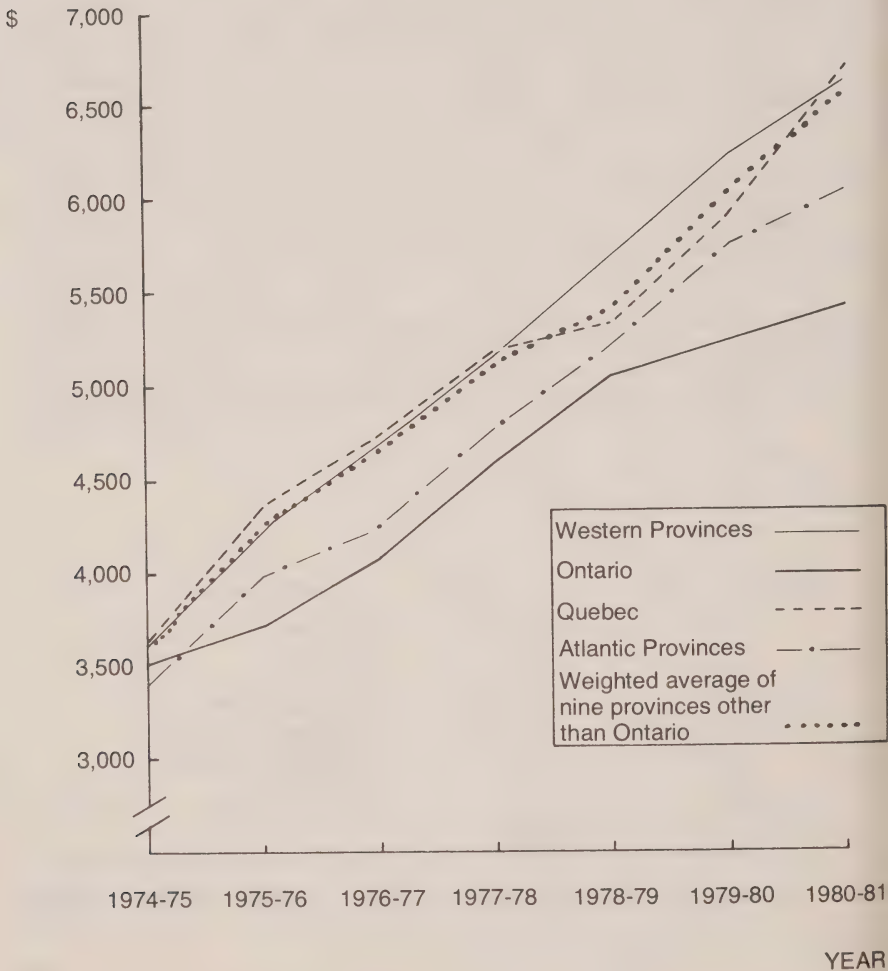


ote: In order for Ontario universities to have been funded at the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1980-81, the Government of Ontario would have had to increase its operating grants by over \$264 million in that year alone

ource: Table 1 of Appendix.

FIGURE 2

**Interprovincial Comparison of University Revenue:
Total Operating Income per FTE Student,
1974-75 to 1980-81**



Note: In order for Ontario universities to have received the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1980-81, the operating income of Ontario universities would have had to be over \$212 million higher in that year alone.

Source: Table 1 of Appendix.

(B) Intraprovincial Comparisons

In recent years, all sectors of education in Ontario have received a substantially reduced share of total Government budgetary expenditures. From 1977-78 to 1981-82, the share of total Government budgetary expenditures for elementary and secondary schools declined by 23.6%, the share for universities declined by 24.3% and the share for the Colleges of Applied Arts and Technology (CAATs) declined by 21.6%. During that period, enrolment in elementary and secondary schools declined by about 10%, whereas enrolment in universities increased by 5% and total CAAT enrolment increased by over 20%.

Table 4 of the Appendix updates a similar table in *A Financial Analysis of the Ontario University System - 1981*. It presents indexes of provincial grants per student for universities and for elementary and secondary schools, measured in constant 1970-71 dollars, for the period 1970-71 to 1981-82. Figure 3 displays the same information in graphic form and indicates that university funding per student continued to decline in 1981-82, while elementary and secondary school funding increased. During the period, university operating grants per FTE student declined in real terms by 21.7%. Provincial support per elementary and secondary school pupil increased in real terms by 39.7% when the provincial contribution to the Teachers' Superannuation Fund⁴ is included in provincial support, and by 32.4% when this contribution is excluded. In 1981-82, the most recent year for which data are available, provincial support per student for the universities declined in real terms by 5.9%, while provincial support per pupil for elementary and secondary schools increased by 0.8% when Government's contribution to the Teachers' Superannuation Fund is included and remained unchanged when this contribution is excluded from this calculation.

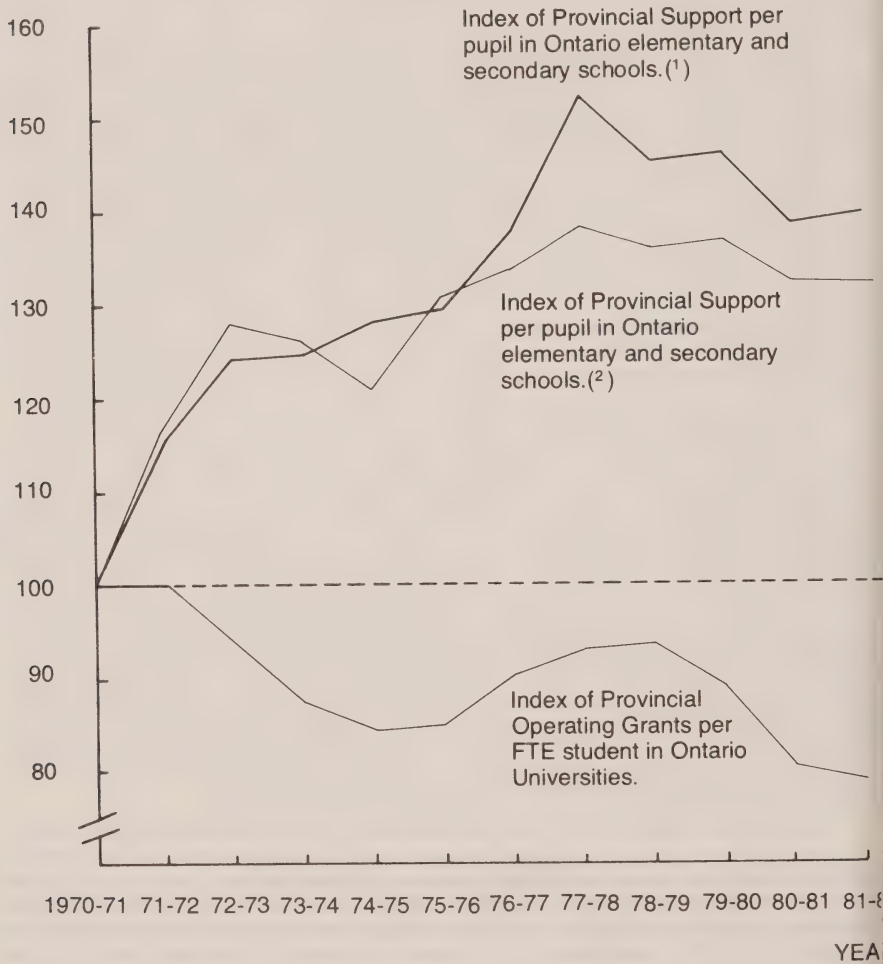
Table 5 of the Appendix and Figure 4 present comparable indexes of university revenues and elementary and secondary school revenues for the period 1970-71 to 1981-82. The university index uses provincial grants plus tuition fees as a proxy for revenue. It measures, in constant 1970-71 dollars, the revenue per FTE student received by Ontario universities over this period. Provincial grants plus local tax revenues are used as a proxy for total revenue for the index of elementary and secondary school revenues. This index measures, in real terms, provincial grants plus local tax revenue per pupil received by Ontario elementary and secondary schools over the same period. These indexes show that, when the provincial contribution to the Teachers' Superannuation Fund is included, school revenue per pupil rose 37.1% in real terms between 1970-71 and 1981-82, and by 33.3% when it is excluded. At the same time, university revenues per student declined by 22.1%. In the most recent year for which data are available (1981-82), university revenues per FTE student declined in real terms by 4.7%, while elementary and secondary school revenues per pupil increased by 1.6% when Government's contribution to the Teachers' Superannuation Fund is included and by 1.4% when this contribution is excluded.

Council has noted in the past the desirability of the inclusion of comparable indexes of provincial support and revenue per FTE student for the other major education sector in the province - the Colleges of Applied Arts and Technology. For the years prior to 1981-82 it is not possible to compile what Council considers to be the most appropriate comparative data - operating grants allocated to post-secondary programs per FTE post-secondary student or operating revenue accruing per post-secondary student in the CAATs. The move to formula financing for the CAATs in 1981-82, however, now enables Council to calculate, in a rough manner, post-secondary operating grants per post-secondary student for that year. A single year of data is of little comparative value. However, in the future, Council should be able to make some valid comparisons, using an index similar to that used for elementary and

4. Whenever the provincial contribution to the Teacher's Superannuation Fund is mentioned in this paper, it includes the provincial contribution on behalf of teachers to the Superannuation Fund and Superannuation Adjustment Benefits.

FIGURE 3

Comparison of Provincial Support per Student in Universities and in Elementary and Secondary Schools in Ontario, 1970-71 to 1981-82 (Constant 1970-71 dollars, 1970-71 = 100.00)



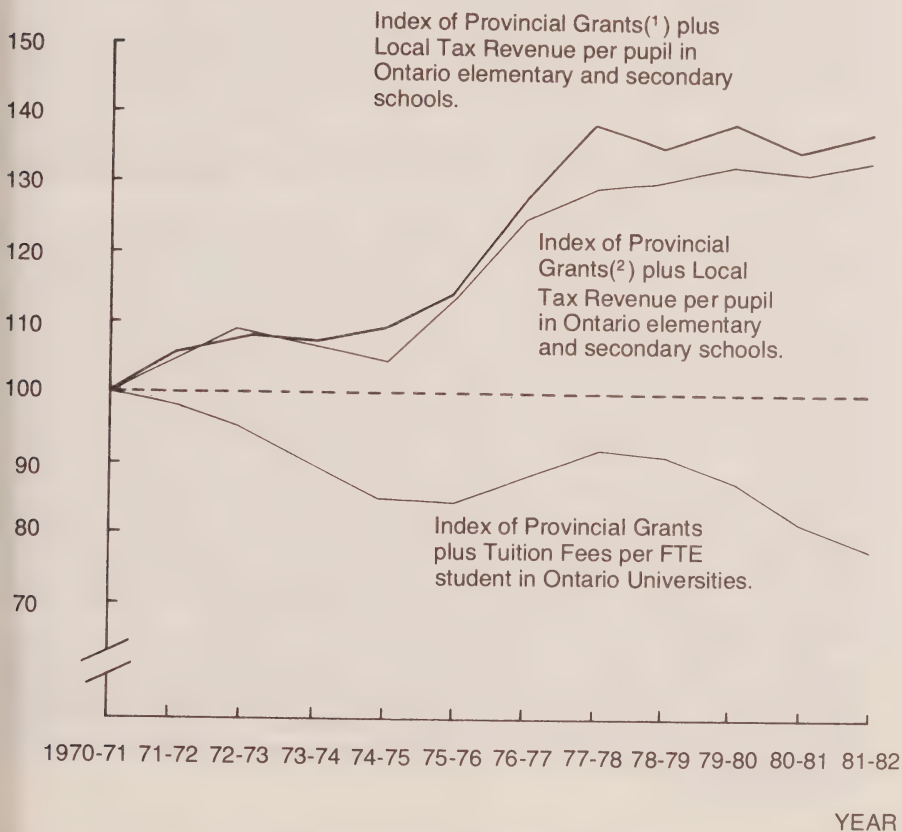
(1) Provincial grants to schools including the provincial contribution to the Teachers' Superannuation Fund.

(2) Provincial grants to schools excluding the provincial contribution to the Teachers' Superannuation Fund.

Source: Table 4 of Appendix.

FIGURE 4

Comparison of Revenue per Student in Universities and in Elementary and Secondary Schools in Ontario, 1970-71 to 1981-82 (Constant 1970-71 dollars, 1970-71 = 100.00)



(1) Provincial grants to schools including the provincial contribution to the Teachers' Superannuation Fund.

(2) Provincial grants to schools excluding the provincial contribution to the Teachers' Superannuation Fund.

Source: Table 5 of Appendix.

secondary school funding comparisons. Nevertheless, information available on total revenue and Government support for all CAAT programs, including non-post-secondary adult training and training in business and industry, suggests that, on a per FTE student basis, the CAATs have not fared as well as the universities in recent years.

(C) Enrolment Trends

In *A Financial Analysis of the Ontario University System - 1981*, Council presented data concerning changes in enrolment over the past several years. Many of the trends noted in that document continued in 1981-82.

At the system-wide level, the participation rate of the 18 to 24 year-old age group continued to increase in 1981-82. Following a decline in the late 1970s, the participation of this group has increased significantly in the last two years. This increase in participation, coupled with continued growth in the size of the age group, led to an increase in Ontario university enrolment of 4.8% in 1981-82. There were 161,669 full-time students and 36,672 FTE part-time students enrolled in Ontario universities and their affiliated colleges, Ryerson Polytechnical Institute, and the Ontario Institute for Studies in Education, for a total FTE enrolment of 198,341.

Significant unpredictable shifts in enrolment, among disciplines, in recent years have forced the universities to reallocate resources internally to meet student demand and have limited the capacity of the institutions to adjust to total funding constraints.

With few exceptions, the trends in enrolment shifts among discipline sectors experienced in the past few years, and noted by Council in *A Financial Analysis of the Ontario University System - 1981*, continued in 1981-82. Table 6 of the Appendix shows undergraduate enrolment in major disciplines and discipline sectors for the period 1973-74 to 1981-82. Full-time undergraduate enrolment has increased in all but two discipline sectors - humanities and agriculture and biological sciences. Fine and applied arts and agriculture and biological sciences were the only discipline sectors with declines in full-time enrolment in 1981-82. The increases in the other sectors in 1981-82 ranged between 0.7% for education to 15.8% for mathematics and physical sciences. Part-time enrolment has increased, from 1973-74 to 1981-82, in all sectors except general arts and science. However, in 1981-82 part-time enrolment declined in fine and applied arts, humanities, agriculture and biological sciences and engineering and applied sciences. There have also been significant shifts in the proportion of total full-time or part-time undergraduate enrolment in certain sectors.

Table 7 of the Appendix provides similar data on graduate enrolment. From 1973-74 to 1981-82, full-time graduate enrolment declined in humanities and health professions and occupations. The remaining sectors had enrolment increases. Part-time enrolment increased in all sectors except humanities. The shifts in the share of total enrolment in individual sectors were more marked at the graduate level than at the undergraduate level.

(D) Faculty and Staff Resources

The number of faculty has declined slightly over the past five years. Data from the Council of Ontario Universities (COU) found in Table 8 of the Appendix show that the number of FTE faculty positions in Ontario universities declined by 295 or 2.2% from 1977-78 to 1981-82. During this period, full-time tenure stream positions increased by

5. Ministry of Colleges and Universities, *University Audit Reports: Financial Reports*, May 14, 1982, p.p. 10 - 13.

6. These data are drawn from the University Student Information System (USIS) reports on Fall enrolment at the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute and the Ontario Institute for Studies in Education.

163 or 1.7% while full-time limited term positions declined by 204 or 12.4% and FTE part-time faculty by 253.5 or 14.0%.

Because of a change in methodology, data on the non-academic staff complement provided by COU this year differs from that provided to Council in the past. Comparable data are available only for the years 1979-80 to 1981-82. During that period, the number of non-academic staff declined by about 3.0%, while the number of faculty declined by 0.6%.

From 1977-78 to 1981-82, mean salaries for full-time faculty at Ontario universities rose by 39.8%, while the Consumer Price Index increased by 48.4%. Thus, faculty salaries have fallen significantly in real terms since 1977-78. In addition, since 1976-77, the mean salary of Ontario faculty has been below that of the Western provinces and Quebec. In 1980-81, the mean salary of Ontario faculty was \$34,989 compared with \$36,690 for the Western provinces and \$30,228 for the Atlantic provinces. A comparable figure for Quebec is unavailable for 1980-81. However, in 1979-80, the mean salary of Quebec faculty was \$35,116.

(E) Equipment and Furniture Expenditures

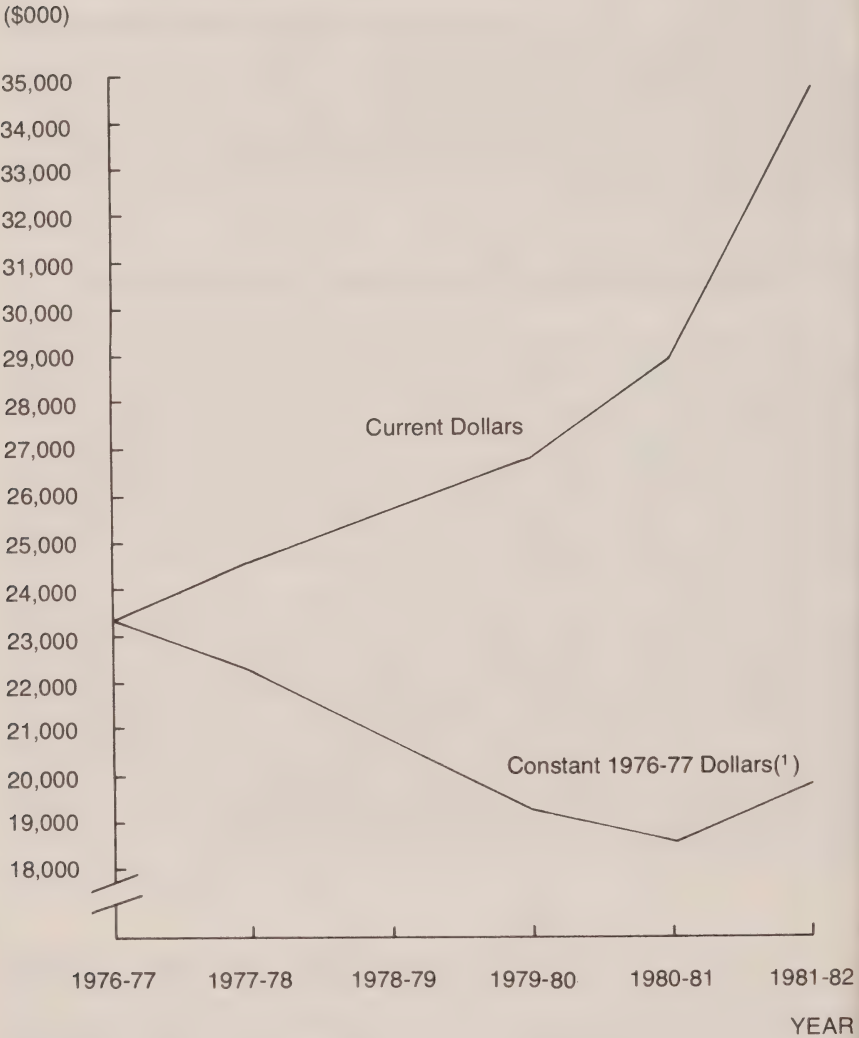
The tendency, observed by Council in recent years, of universities to restrict severely non-salary expenditures in response to funding constraints abated slightly in 1981-82. This was particularly true of the expenditures on equipment and furniture. Table 9 of the Appendix shows, for individual institutions and for the system as a whole, the actual expenditures on equipment and furniture for the years 1976-77 to 1980-81 and the anticipated final expenditures on these items for 1981-82.⁷ Table 10 of the Appendix shows the same expenditures in constant 1976-77 dollars. Figure 5 illustrates graphically the trend in these expenditures in both current and constant 1976-77 dollars during the period 1976-77 to 1981-82. It is evident from this Figure that the value of equipment and furniture expenditures, in 1981-82, increased in real terms for the first time since the start of the period, but only by 6.7%.

In March of 1982, the Government made \$8.2 million in research equipment grants available to the university system (excluding Ryerson and the Ontario College of Art), through the Board of Industrial Leadership and Development (BILD). These grants were designed to provide for the purchase of specific engineering and science equipment. The universities submitted over 500 applications for equipment funds totalling over \$39 million. There were 81 equipment grants awarded on the basis of the potential industrial and economic impact of the research being carried out. While this initiative will undoubtedly have a positive impact on the universities' inventory of scientific research equipment, there remains a significant shortage of funds for the purchase of equipment for other important forms of research and instruction.

⁷ It should be noted that over 80% of expenditures on equipment and furniture are devoted to equipment expenditures, including computer costs.

FIGURE 5

Equipment and Furniture Expenditures from Operating Income, 1976-77 to 1981-82



(1) The 1977-78 to 1980-81 constant dollar figures were deflated by the equipment and furniture component of the Ontario University Non-Salary Price Index.

The 1981-82 figure is deflated by Council's estimate of the change in the total OUNSPI for 1981-82.

Source: Tables 9 and 10 of the Appendix.

(F) Library Books and Periodicals

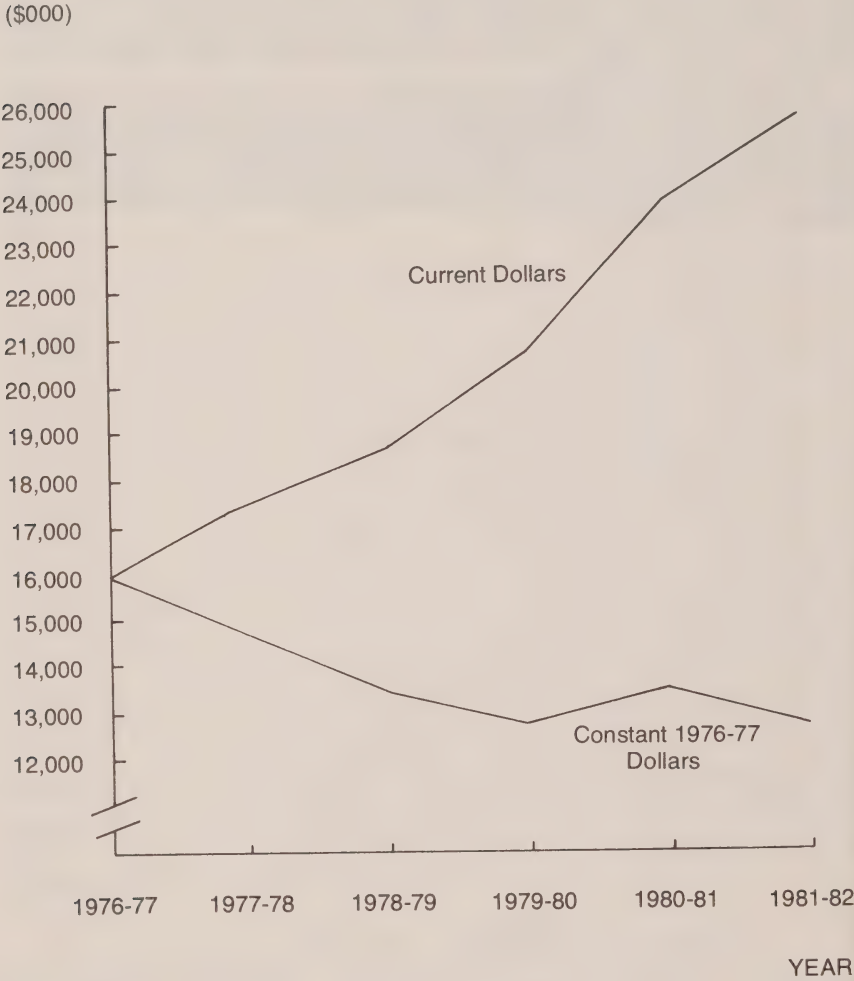
In recent years, expenditures on library book and periodical acquisitions have been curtailed by financial restraints on the institutions. Table 11 of the Appendix presents, for individual institutions and for the system as a whole, the expenditures on library acquisitions from 1976-77 to 1981-82. Table 12 of the Appendix shows, for the same period, these expenditures measured in constant 1976-77 dollars.³ The total value of library acquisitions by Ontario universities, when measured in constant dollars declined by 21.6%, as shown in Figure 6.

As Council has noted in the past, the severity of the decline in library acquisitions can be attributed not only to the pressures of general financial constraints, but also to extraordinary increases in the prices of books and periodicals. As shown in Tables 11 and 12 of the Appendix, library acquisition expenditures increased by about 61% from 1976-77 to 1981-82, while the prices of monograph and periodicals increased by about 103% and 105% respectively.

3. The price deflator used to calculate constant dollar values for 1977-78 to 1980-81 was the books and periodicals component of the Ontario University Non-Salary Price Index. The remaining year of data was deflated by a books and periodicals inflation estimate provided at Council's request by Queen's University.

FIGURE 6

Expenditures on Library Acquisitions from Operating Income, 1976-77 to 1981-82



Note: See footnote 8 of the text.

Source: Tables 11 and 12 of the Appendix

(G) Capital Funding

The capital investment of the Government of Ontario in land, buildings and other physical assets of the Ontario university system is shown in Table 13 of the Appendix. Of the more than one billion dollars Government has invested in the system through capital grants and debentures since 1944, over 80% occurred between 1964-65 and 1973-74. Since that time, there has been little or no capital expansion and increasingly restricted capital funding for repairs, renovations and replacement projects.

Capital grants awarded to Ontario universities by the Ministry of Colleges and Universities totalled \$13.5 million in each of the last four years (1979-80 to 1982-83). For 1982-83, an additional source of capital funding in the amount of \$5.5 million was made available for repairs to university buildings through the Board of Industrial Leadership and Development as part of a Government program "to create short-term employment at the earliest reasonable opportunity".⁹ This repair program concentrates on labour intensive projects involving occupational health and fire safety, asbestos removal and clean-up, energy conservation projects and general repairs to buildings. While this additional funding was indeed welcome, it was not necessarily addressed to projects which the institutions considered to be of highest priority, but rather to those which were most labour intensive.

Table 14 of the appendix shows Council's advice on the capital requirements of the universities and the actual grants made available since 1976-77. Council has consistently recommended to Government that, to maintain Ontario's substantial capital investment in the university system, 1% of the replacement value of the space inventory of the universities be provided annually for new major repairs, renovations and replacement projects (excluding any amounts necessitated by carry-overs).¹⁰ Table 14 indicates that Government funding for this purpose has fallen well short of Council's recommendations. For 1982-83, Council recommended that \$23.1 million be provided, but only \$4.5 million has been made available. Even when the \$5.5 million from the BILD program is taken into account, Government support for maintenance of the capital investment falls \$13.1 million short of Council's recommendations for 1982-83.

Data provided by COU indicate that the universities received close to 5,000 occupational health and safety orders from the Ministry of Labour within the last year. It is estimated that compliance with these orders to eliminate specific safety hazards will cost the universities over \$4 million. In her letter of April 30, 1982 to the Presidents of Ontario universities announcing the level of capital support for 1982-83, the Minister of Colleges and Universities explained that: "...allocations for new starts have been given almost exclusively to projects that will upgrade existing facilities to meet fire, occupational health and structural safety requirements".

As mentioned above, Council's capital funding recommendations pertain to new major repairs, renovations and replacement projects. However, in recent years, as shown in Table 14 of the Appendix, the majority of Government capital support has been directed towards the continued funding (carry-over) of existing major repairs, renovations and replacement projects and carry-over costs of projects involving the construction of additional space. The funding, even for these projects, has been severely restricted in recent years.

9. Board of Industrial Leadership and Development, *BILD-RM Job Creation Program 1982/83*.

10. See Advisory Memorandum 77-IV for further information on Council's capital recommendations.

(H) Research

In *A Financial Analysis of the Ontario University System - 1980*, Council expressed grave concern over the level of expenditure on Research and Development (R and D) in Canada. It was pointed out that total expenditures on research and development in Canada equalled just over 0.9% of the gross national product (GNP), well behind the levels found in most other major industrial countries. Council also noted that, in 1978 the Government of Canada set a national target for research and development expenditures at 1.5% of GNP by 1983 and that, in 1980, the Minister of State for Science and Technology announced that this target would be delayed until 1985.

Recent data indicate that Canada's gross expenditures on R and D in the natural sciences increased to 1.07% of GNP in 1981. Total R and D expenditures increased by an average annual rate of 16% between 1979 and 1981, with average annual expenditure increases by industry of 20%, by the federal government of 16%, by the provincial governments of 11% and by universities of 6%. These increases fall short of the expenditure increases necessary to meet the target of 1.5% of GNP by 1985. To do so would require total R and D expenditure increases at an average rate of 20%, with annual increases of 27% by industry, 17% by the federal government, 19% by provincial governments and 9% by the universities.¹¹

Funding of research in the universities improved in 1982-83 as a result of budget increases for the Natural Sciences and Engineering Research Council (NSERC), the Medical Research Council (MRC) and the Social Sciences and Humanities Research Council (SSHRC) of 12.5%, 13.3% and 20.9% respectively. These increases bring their budgets to \$226.1 million for NSERC, \$113.5 million for MRC and \$56.7 million for SSHRC.

Council has stated on a number of occasions that the level of operating grants provided to Ontario universities in recent years has not allowed the universities to maintain their research base, particularly with respect to equipment and libraries. Therefore, the action of the Government of Ontario referred to in Section E, of providing \$8.2 million through the Board of Industrial Leadership and Development to universities for the purchase of research equipment in science and engineering in 1981-82, is especially welcome. An additional \$1.78 million was also provided through BILD to support new or expanding research employment contracts with industry. These latter funds were in the form of grants to match research contracts made with private industry. Of the 120 applications for funding, 77 matching grants were awarded. Council is encouraged by this development and hopes that Government will increase its commitment to all forms of university research in the future, recognizing the invaluable contribution such research makes to the development of Ontario.

11. Ministry of State for Science and Technology - Canada, *The Government of Canada's Investment in Science*, 1982, p. 10.

Appendix

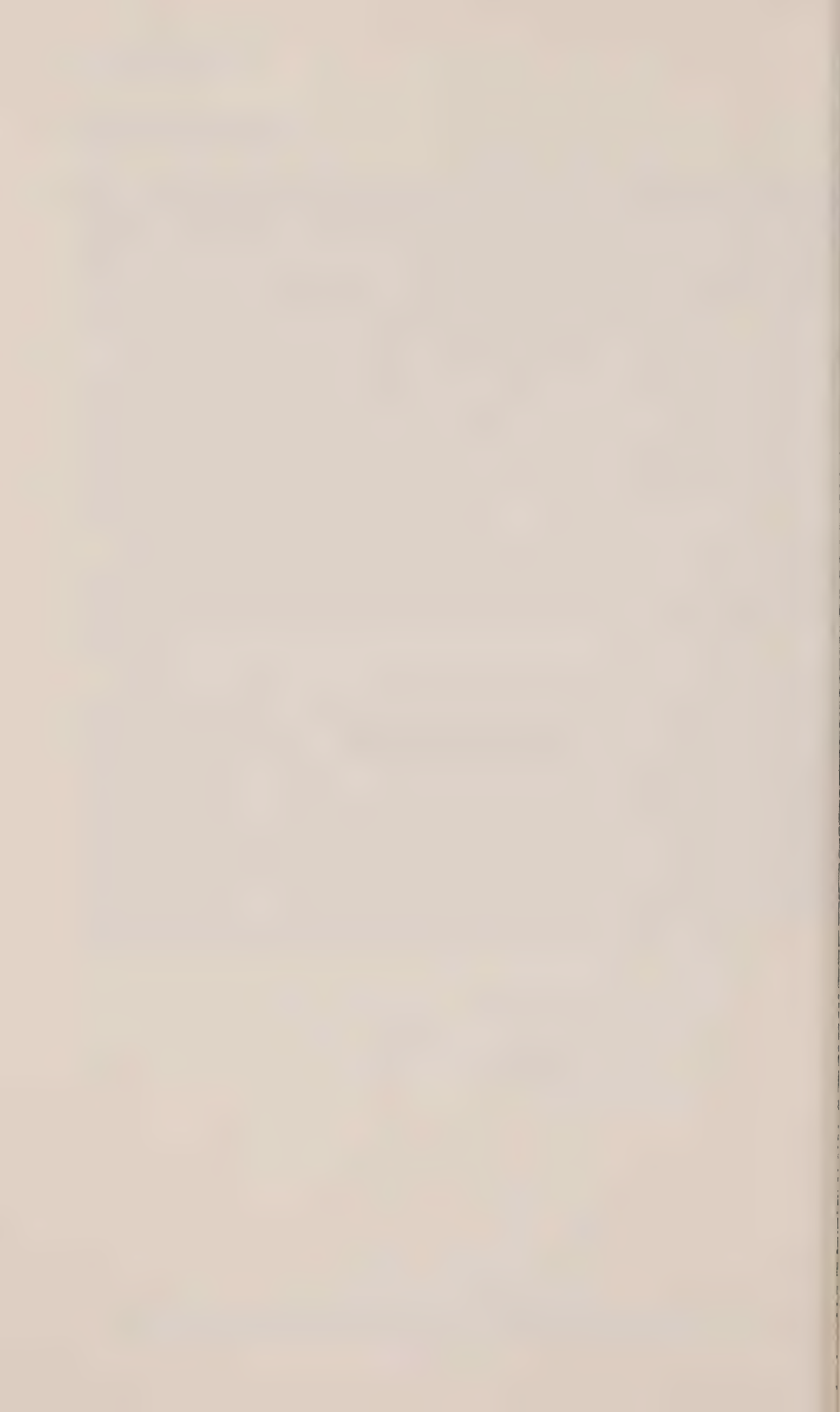


TABLE 1

**Interprovincial Comparison of University Grants:
Provincial Operating Grants per FTE Student, 1974-75 to 1980-81**

	1974-75 \$	Rank	1975-76 \$	Rank	1976-77 \$	Rank	1977-78 \$	Rank	1978-79 \$	Rank	1979-80 \$	Rank	1980-81 \$	Rank
British Columbia	3,029	4	3,577	4	4,049	4	4,521	3	5,025	3	5,337	3	5,664	4
Alberta	3,345	1	4,053	1	4,358	1	4,797	1	5,339	2	5,830	2	6,758	1
Saskatchewan	2,977	5	3,410	5	3,767	5	4,107	5	4,615	5	5,096	5	5,302	5
Manitoba	2,594	8	3,016	6	3,453	6	3,874	7	4,123	7	4,770	7	4,499	7
Quebec	3,057	3	3,752	3	4,079	3	4,449	4	4,657	4	5,299	4	5,935	2
New Brunswick	2,704	6	3,003	7	3,445	7	3,905	6	4,364	6	4,762	6	4,929	6
Nova Scotia	2,431	9	2,836	9	3,233	9	3,497	9	3,819	9	4,074	10	4,379	9
P.E.I.	2,414	10	2,589	10	2,974	10	3,030	10	3,544	10	4,246	8	4,441	8
Newfoundland	3,079	2	3,809	2	4,157	2	4,625	2	5,485	1	5,994	1	5,684	3
Weighted average for 9 provinces other than Ontario	2,983		3,577		3,950		4,347		4,706		5,249		5,700	
Ontario	2,690	7	2,913	8	3,265	8	3,669	8	4,002	8	4,140	9	4,273	10
Canada	2,871		3,322		3,687		4,097		4,456		4,851		5,191	

Source: Fourth Report of the Tripartite Committee on Interprovincial Comparisons, September, 1982, p. 7.

TABLE 2

**Interprovincial Comparison of University Revenue:
Total Operating Income per FTE Student, 1974-75 to 1980-81**

	1974-75 Rank	1974-75 \$	1975-76 Rank	1975-76 \$	1976-77 Rank	1976-77 \$	1977-78 Rank	1977-78 \$	1978-79 Rank	1978-79 \$	1979-80 Rank	1979-80 \$	1980-81 Rank	1980-81 \$
British Columbia	3,682	4	4,312	4	4,871	2	5,344	3	5,886	3	6,058	4	6,412	4
Alberta	3,839	2	4,525	2	4,839	3	5,371	2	6,024	2	6,613	2	7,594	1
Saskatchewan	3,692	3	4,238	5	4,609	5	5,049	5	5,662	5	6,232	3	6,378	5
Manitoba	3,030	10	3,579	9	3,996	8	4,441	8	4,780	9	5,422	7	5,483	8
Quebec	3,643	5	4,373	3	4,743	4	5,165	4	5,347	4	5,890	5	6,683	3
New Brunswick	3,322	7	3,664	8	4,085	7	4,582	7	4,830	8	5,690	6	5,890	7
Nova Scotia	3,303	8	3,850	6	3,934	9	4,294	9	4,930	7	5,257	8	5,823	6
P.E.I.	3,219	9	3,360	10	3,394	10	3,256	10	4,418	10	4,973	10	5,073	10
Newfoundland	3,844	1	4,930	1	5,438	1	6,344	1	6,821	1	7,222	1	7,052	2
Weighted average for 9 provinces other than Ontario	3,592		4,251		4,634		5,094		5,476		6,002		6,567	
Ontario	3,502	6	3,714	7	4,094	6	4,594	6	5,038	6	5,239	9	5,421	9
Canada	3,558		4,045		4,426		4,910		5,320		5,711		6,158	

Source: Fourth Report of the Tripartite Committee on Interprovincial Comparisons, September, 1982 p. 11.

TABLE 3
Interprovincial Comparisons, 1981-82 and 1982-83

	% Increase in Grants 1981-82	% Increase in Grants 1982-83	% Increase in Fee Rates ¹ 1981-82	% Increase in Fee Rates ¹ 1982-83	% Change in FTE Enrolment ² 1981-82	% Change in FTE Enrolment ² 1982-83
British Columbia	14.3	7.5	13.0	29.0	4.0	6.0
Alberta	13.1	14.6	0.0	20.0	3.0	10.0
Saskatchewan ⁴	12.9	14.9	7.2-7.7	8.2-10.0	7.0	10.3
Manitoba	13.4	15.7	8.9	0.0	8.6	10.6
Ontario	10.1	12.2	10.0-21.0 ³	12.2-23.4 ³	4.8	4.5
Quebec	5.6	4.2	0.0	0.0	1.8	3.5
New Brunswick	10.2	13.6	12.8	15.0	8.4	8.0
Nova Scotia	12.5	12.4	10.5	13.6	3.9	8.5
P.E.I.	9.7	12.7	12.1	15.5	6.9	9.5
Newfoundland	13.9	10.0	10.0	11.8	1.6	15.0

(1) Fee increase may differ among institutions and programs within institutions. When no range of increases is provided, the figure represents a rough average of fee increases across the province.

(2) Enrolment changes for 1982-83 are estimates.

(3) Comprised a formula fee rate increase of 10.0% in 1981-82 and 12.2% in 1982-83 and a discretionary fee rate increase of up to 10% of the formula fee rate.

(4) Based on the universities' fiscal year, not the Government's fiscal year.

TABLE 4

**Comparison of Provincial Support per Student in University and in Elementary and Secondary Schools in Ontario in Constant 1970-71 Dollars,
1970-71 = 100.00, 1970-71 to 1981-82**

	Index of Provincial Operating Grants per FTE University Student	Index of Provincial Support per Elementary and Secondary Pupil ¹	Index of Provincial Support per pupil, excluding Teachers' Superannuation
1970-71	100.0	100.0	100.0
1971-72	100.0	116.3	116.7
1972-73	94.0	124.6	127.8
1973-74	87.9	124.8	126.0
1974-75	84.8	128.0	120.9
1975-76	85.1	129.6	130.7
1976-77	90.6	137.7	133.7
1977-78	93.6	152.1	137.8
1978-79	94.0	145.8	135.9
1979-80	89.6	146.4	136.9
1980-81	83.2	138.6	132.4
1981-82	78.3	139.7	132.4

(1) Provincial Grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

Note: Indexes are in constant 1970-71 dollars, deflated by the January CPI for each year.

Sources: Ministry of Colleges and Universities
Ministry of Education

TABLE 5

**Comparison of Revenue per Student in University and
in Elementary and Secondary Schools in Ontario in Constant
1970-71 Dollars, 1970-71 = 100.00, 1970-71 to 1981-82**

	Index of Provincial Operating Grants Plus Tuition Fees Per FTE University Student	Index of Prov- incial Grants plus Local Tax Revenue per Elementary and School Pupil ¹	Index of Prov- incial Grants plus Local Tax Revenue per Pupil, excluding Teachers' Superannuation
1970-71	100.0	100.0	100.0
1971-72	98.3	105.5	105.3
1972-73	95.6	108.0	108.8
1973-74	89.8	106.9	106.7
1974-75	85.4	109.1	104.6
1975-76	84.3	113.4	113.2
1976-77	88.0	127.4	124.8
1977-78	91.8	137.5	129.5
1978-79	91.3	135.5	130.1
1979-80	87.3	138.0	132.9
1980-81	81.8	134.9	131.5
1981-82	77.9	137.1	133.3

¹) Provincial Grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

Note: Indexes are in constant 1970-71 dollars, deflated by the January CPI for each year.

Sources: Ministry of Colleges and Universities
Ministry of Education

TABLE 6

Full-Time and Part-Time FTE Graduate Enrolment by Discipline Sector, 1973-74 to 1981-82

	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	% Change 1973-74 to 1981-82
	number	% share of total							number	% share of total
Education	FT 8,433	7.3	9,540	11,638	10,718	10,007	9,187	9,581	9,651	6.6
	PT 129	1.1	183	239	359	586	1,404 ¹	2,082 ¹	2,265 ¹	16.1
Physical Education ²	FT 4,862	4.2	5,302	5,720	5,632	5,585	5,428	5,447	5,598	3.8
	PT 39	0.3	71	69	75	86	113	75	82	0.6
Fine and Applied Arts	FT 4,734	4.1	5,103	5,277	6,608	6,566	6,255	6,542	5,286	3.6
	PT 203	1.7	241	271	557	628	770	760	354	2.5
Humanities & Related	FT 11,130	9.6	11,508	12,312	11,602	10,255	10,329	9,872	10,165	6.9
	PT 1,164	9.9	1,285	1,397	1,430	1,327	1,216	1,228	1,200	8.6
Social Science	FT 26,638	22.9	28,583	32,525	33,974	34,675	33,836	35,960	38,996	26.5
& Related	PT 2,935	24.8	3,124	3,790	3,781	3,786	3,503	3,857	4,039	28.8
Commerce and Business ²	FT 6,991	6.0	7,954	8,501	9,324	9,786	10,568	12,686	14,666	10.0
	PT 523	4.4	648	833	902	1,049	1,115	1,262	1,436	10.2
Agriculture & Biological Science	FT 8,356	7.2	9,232	9,256	9,430	9,180	7,934	7,678	7,556	5.2
	PT 138	1.2	177	205	183	168	162	157	154	1.1
Engineering & Applied Science	FT 12,614	10.8	13,414	14,435	15,566	15,947	16,466	17,396	18,028	12.3
	PT 180	1.5	239	287	292	283	329	364	320	2.3
Engineering & Engineering Science ²	FT 10,796	9.3	11,388	12,260	13,195	13,594	14,090	15,085	15,715	10.7
	PT 168	1.4	218	257	249	236	258	301	270	1.9
Health Professions & Occupations	FT 7,118	6.1	7,827	8,275	8,819	9,733	9,892	10,416	10,605	7.2
	PT 81	0.7	89	128	140	166	169	165	174	1.2
Mathematics & Physical Science	FT 6,961	6.0	7,731	8,020	8,285	7,285	8,875	8,792	10,184	6.9
	PT 337	2.8	333	336	324	328	375	417	493	3.5
General Arts & Science	FT 30,278	26.0	27,743	26,652	33,384	31,531	30,430	33,986	35,614	24.8
	PT 6,665	56.3	5,874	6,023	5,620	5,355	4,933	4,846	5,040	35.9
Total ³	FT 116,262	100.0	120,681	127,143	138,842	138,099	135,365	136,759	146,938	100.0
	PT 11,832	100.0	11,545	12,670	12,181	12,323	12,251	13,082	14,039	100.0
Not Applicable & Not Reported	FT 6,208		9,931	10,773	4,961	4,610	3,632	2,912	3,196	3,521
	PT 3,271		4,727	4,865	4,962	6,794	7,249	7,807	7,968	8,434
TOTAL FTE	137,573		146,884	155,451	160,946	161,826	151,497	160,560	166,821	172,932
										25.7

(1) The universities' part-time education enrolment increased rapidly when the universities assumed responsibility for courses previously operated by the Ministry of Education.

Enrolment and Part Time FTE Graduate Enrolment by Discipline Sector, 1973-74 to 1981-82

		1973-74		1974-75		1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82		% Change 1973-74 to 1981-82	
		number	% share of total									number	% share of total		
Education	FT	1,071	6.8	803	898	1,054	1,040	1,031	1,103	1,158	1,151	7.2	7.5		
	PT	761	27.8	830	924	1,052	1,030	991	998	983	940	28.7	23.5		
Physical ¹	FT	66	0.4	98	117	128	144	147	182	213	223	1.4	237.9		
Education	PT	19	0.7	14	13	21	21	23	26	23	22	0.7	15.8		
Fine and	FT	206	1.3	190	193	199	253	246	256	300	311	1.9	51.0		
Applied Arts	PT	14	0.5	18	21	24	23	25	27	26	31	0.9	121.4		
Humanities & Related	FT	3,129	19.8	3,180	3,136	3,138	3,274	3,244	2,807	2,743	2,827	17.7	(9.7)		
	PT	470	17.2	447	457	472	521	548	482	439	401	12.3	(14.7)		
Social Sciences	FT	5,395	34.2	5,484	5,987	6,091	5,990	5,980	5,797	5,869	6,124	38.3	13.5		
and Related	PT	971	35.5	1,026	1,158	1,195	1,188	1,163	1,194	1,258	1,288	39.4	32.6		
Commerce and	FT	1,443	9.1	1,352	1,551	1,615	1,622	1,666	1,786	1,895	1,947	12.2	34.9		
Business ¹	PT	491	18.0	462	566	605	568	569	605	660	686	21.0	39.7		
Agriculture &	FT	806	5.1	606	671	1,091	1,066	1,029	1,080	1,157	1,175	7.3	45.8		
Biological Science	PT	56	2.1	43	46	56	60	55	57	64	61	1.9	8.9		
Engineering &	FT	1,409	8.9	1,473	1,540	1,597	1,500	1,392	1,426	1,521	1,559	9.8	10.6		
Applied Sciences	PT	290	10.6	330	372	325	313	293	317	313	301	9.2	3.8		
Engineering &	FT	1,376	8.7	1,429	1,495	1,522	1,433	1,324	1,356	1,443	1,473	9.2	7.0		
Engineering															
Science ¹	PT	283	10.4	325	365	317	304	286	312	309	297	9.1	4.9		
Health Professions	FT	2,078	13.2	1,941	1,895	1,704	751	852	925	932	1,026	6.4	(50.6)		
& Occupations	PT	46	1.7	45	46	89	97	99	114	106	109	3.3	137.0		
Mathematics &	FT	1,688	10.7	1,628	1,760	1,798	1,636	1,518	1,416	1,470	1,816	11.4	7.6		
Physical Sciences	PT	125	4.6	145	142	127	134	141	135	136	139	4.3	11.2		
Total ²	FT	15,782	100.0	15,305	16,080	16,672	15,510	15,292	14,810	15,150	15,989	100.0	1.3		
	PT	2,733	100.0	2,884	3,166	3,340	3,366	3,315	3,324	3,325	3,270	100.0	19.6		
Not Applicable & Not Reported	FT	500		1,216	1,569	481	147	129	142	118	123				
	PT	135		189	225	184	158	155	135	131	127				
TOTAL FTE		19,150		19,594	21,040	20,677	19,181	18,891	18,411	18,724	19,509		1.9		

(1) These enrolment figures are included in the

(1) These enrolment figures are included in the sector totals immediately above.

(2) These figures do not include "Not Applicable" and "Not Reported" student numbers.
Source: USIS 110100113 and 110100114.

TABLE 8

**Academic Staff Complements,
1977-78 to 1981-82¹**

	1977-78	1978-79	1979-80	1980-81	1981-82
Full-Time Tenure Stream	9,808	9,926	9,795	9,838	9,971
Full-Time Limited Term	1,643	1,584	1,584	1,522	1,439
FTE of Part-Time	1,815.9	1,751.3	1,666.6	1,691.4	1,562.4
	_____	_____	_____	_____	_____
TOTAL FTE	13,266.9	13,261.3	13,045.6	13,051.4	12,972.4

(1) Data were not available for: Algoma, Nipissing, Hearst and Dominican College, the Ontario College of Art and the church-related affiliates of the provincially assisted universities. Full-time faculty is reported as of October 1st of each year.

Source: Council of Ontario Universities.

TABLE 9

**Equipment and Furniture Expenditures from Operating Income
1976-77 to 1981-82
(\$000)**

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Brock	271	238	206	321	316	322
Carleton	1,023	1,209	1,230	976	1,046	1,584
Guelph	1,633	1,482	1,812	2,109	1,870	2,117
Lakehead	291	355	346	430	194	276
Laurentian	188	307	312	252	762	203
Nipissing	63	33	26	20	28	33
Hearst	68	17	19	25	3	3
McMaster	1,414	1,718	2,035	1,371	1,578	2,570
Ottawa	1,301	1,395	1,563	2,214	2,652	2,802
Queen's	1,574	803	1,182	1,474	1,608	2,036
Toronto	4,704	5,814	7,003	5,964	7,503	8,006
Trent	160	138	118	111	112	104
Waterloo	2,432	3,099	2,255	2,720	2,593	2,906
Western	3,138	3,336	3,283	3,409	4,450	5,660
WLU	574	556	565	522	501	689
Windsor	1,064	1,010	975	1,241	1,470	1,994
York	1,210	948	1,439	1,759	1,389	1,574
Ryerson	2,057	1,941	956	1,176	618	1,564
OISE	251	260	349	221	135	117
TOTAL	23,416	24,686	25,674	26,315	28,828	34,560

Note: Excludes Algoma College since data were not available for 1976-77.

Source: COFO-UO Financial Reports for 1976-77, 1977-78, 1978-79, 1979-80 and 1980-81. Anticipated final expenditures obtained from the universities for 1981-82.

TABLE 10

Expenditures on Equipment and Furniture from Operating Income
1976-77 to 1981-82 - Constant 1976-77 Dollars
(\$'000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Brock	271	213	166	235	203	184
Carleton	1,023	1,079	990	714	671	905
Guelph	1,633	1,323	1,458	1,543	1,200	1,209
Lakehead	291	317	278	315	125	158
Laurentian	188	274	251	184	489	116
Nipissing	63	29	21	15	18	19
Hearst	68	15	15	18	2	2
McMaster	1,414	1,534	1,637	1,003	1,013	1,468
Ottawa	1,301	1,246	1,257	1,620	1,702	1,600
Queen's	1,574	717	951	1,078	1,032	1,163
Toronto	4,704	5,191	5,634	4,363	4,816	4,572
Trent	160	123	95	81	72	59
Waterloo	2,432	2,767	1,814	1,990	1,664	1,660
Western	3,138	2,979	2,641	2,494	2,856	3,232
WLU	574	496	455	382	322	393
Windsor	1,064	902	784	908	944	1,139
York	1,210	846	1,158	1,287	892	899
Ryerson	2,057	1,733	769	860	397	893
OISE	251	232	281	162	87	67
TOTAL	23,416	22,016	20,655	19,252	18,505	19,738

Notes: 1. Excludes Algoma College since data were not available for 1976-77.

2. The price deflator used for calculating constant dollar values for 1977-78 to 1980-81 was the Equipment, Computer and Furniture component of the Ontario Universities Non-Salary Price Index. The price deflator used for 1981-82 was Council's estimate of the value of the total Ontario Universities' Non-Salary Price Index. The percentage increases in the Equipment, Computer and Furniture component of the index were quite similar to those experienced by the total index in the first five years of the table.

TABLE 11

**Expenditures on Library Acquisitions from Operating Income,
1976-77 to 1981-82
(\$000)**

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Brock	239	369	378	409	421	392
Carleton	1,022	1,217	1,128	1,167	1,126	1,282
Guelph	952	976	1,113	894	1,490	1,644
Lakehead	385	458	418	461	493	509
Laurentian	300	341	344	338	358	366
McMaster	1,524	1,588	1,857	2,059	2,268	2,471
Ottawa	1,143	1,250	1,345	1,517	1,888	1,923
Queen's	1,064	1,087	1,196	1,553	1,724	1,911
Toronto	2,539	2,935	3,360	3,907	4,731	5,541
Trent	353	409	365	421	471	372
Waterloo	1,143	1,411	1,513	1,648	1,834	2,036
Western	1,869	1,698	1,986	2,180	2,586	2,668
WLU	541	613	631	613	724	757
Windsor	1,039	1,070	1,039	1,129	1,243	1,259
York	1,228	1,316	1,438	1,712	1,916	1,887
Ryerson	340	352	267	366	444	502
OISE	119	142	158	168	178	103
TOTAL	15,890	17,232	18,536	20,542	23,841	25,623

Source: Council of Ontario Universities for the years 1976-77 and 1977-78.

COFO-UO Financial Reports for 1978-79 to 1980-81.

Anticipated final expenditures obtained from the universities for 1981-82.

TABLE 12

**Expenditures on Library Acquisitions from Operating Income,
1976-77 to 1981-82
Constant 1976-77 Dollars (\$000)**

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Brock	329	311	275	253	238	192
Carleton	1,022	1,027	820	722	637	627
Guelph	952	824	809	553	843	804
Lakehead	385	386	304	285	279	249
Laurentian	300	288	250	209	202	179
McMaster	1,524	1,340	1,351	1,274	1,283	1,209
Ottawa	1,143	1,055	978	939	1,068	941
Queen's	1,064	917	870	961	975	935
Toronto	2,539	2,477	2,444	2,418	2,676	2,711
Trent	353	345	265	251	236	182
Waterloo	1,143	1,191	1,100	1,020	1,037	996
Western	1,869	1,433	1,444	1,349	1,463	1,305
WLU	541	517	459	379	410	370
Windsor	1,039	903	756	699	703	616
York	1,228	1,111	1,046	1,059	1,084	923
Ryerson	340	297	194	226	251	246
OISE	119	120	115	104	101	50
TOTAL	15,890	14,542	13,480	12,711	13,486	12,535

Note: The price deflator used for calculating constant dollar values for 1977-78 to 1980-81 was the Books and Periodicals component of the Ontario Universities' Non-Salary Price Index. The price deflator used for 1981-82 was estimated by Queen's University at Council's request.

Source: Council of Ontario Universities for the years 1976-77 and 1977-78.

COFO-UO Financial Reports for 1978-79 to 1980-81.

Anticipated final expenditures obtained from the universities for 1981-82.

TABLE 13

**Historical Summary
Capital Funding for Universities, Ryerson, OCA, 1944-64 to 1981-82**
(\$'000)

	OUCAC Debtures ⁴	Capital Grants	Minor Repairs & Maintenance	BILD RM Job Creation	Health ² Sciences	Min. of Energy	Wintario Grants ³	Total
1944-64		83,448						83,448
1964-65	45,600							45,600
1965-66	89,239							89,239
1966-67	93,105							93,105
1967-68	99,995							99,995
1968-69	132,974							132,974
1969-70	101,619				7,634			109,253
1970-71	111,760				28,045			139,805
1971-72	114,739				21,308			136,047
1972-73	89,162				9,550			98,712
1973-74	46,254				8,238			54,492
1974-75	17,398				4,244			21,642
1975-76	16,236		2,746		4,176	435		23,593
1976-77	11,190		4,086		5,330	115	985	21,706
1977-78	18,250		5,800 ¹		7,693	146		31,889
1978-79		15,247			2,076	178		17,501
1979-80		13,500			5,107	45	930	19,527
1980-81		13,500			4,924	50	2,170	20,644
1981-82		13,500			5,500 +			19,000
1982-83		13,500		5,500				
TOTAL	1,140,161		12,632	5,500	113,825	969	4,085	1,258,172

(1) Amount added to operating grant base in 1979-80.

(2) Excludes bridge financing grants, but includes \$804,000 for biohazard containment in 1979-80.

(3) Amounts committed in the year shown.

(4) Capital projects funded by debentures issued by the Government of Ontario.

Source: Ministry of Colleges and Universities

TABLE 14

**Annual OCUA Recommendation for New Capital Funding for
Major Repairs, Renovations and Replacement Projects
and Government Allocation of Capital Grants,
1976-77 to 1981-82 (\$000)**

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83 ²
(A) GRANTS FOR WHICH OCUA MAKES RECOMMENDATIONS:							
OCUA Recommendation for Funding of New Major Repairs, Renovations and Replacement Projects (Excluding Carry-Overs and New Construction)	11,800.0	14,100.0	14,500.0	17,900.0	19,100.0	21,200.0	23,100.0
1. Major Renovations and Repairs	6,182.0	6,533.8	5,326.0	850.0	4,661.9	6,305.0	4,470
New Starts							
(Shortfall in Government New Capital Funding for Major Repairs and Renovations)	(5,618.0)	(7,566.2)	(9,174.0)	(17,050.0)	(14,438.1)	(14,895.0)	(18,630)
(B) GOVERNMENT GRANTS IN RESPONSE TO THE OCUA RECOMMENDATIONS:							
1. Major Renovations and Repairs (continued)	2,523.4	4,865.0	2,499.1	10,451.1	7,072.1	5,464.5	5,530
Carry-Overs							
2. New Construction	2,208.0	411.7	2,118.0	-	50.0	-	-
New Starts	-	5,769.5	5,303.5	2,198.9	1,716.0	1,730.5	3,500
Carry-Overs	2,208.0	6,181.2	7,421.5	2,198.9	1,766.0	1,730.5	3,500
TOTAL							
3. Land Purchases	-	609.0	-	-	-	-	-
New Starts	276.6	-	-	-	-	-	-
Carry-Overs	276.6	609.0	-	-	-	-	-
TOTAL							
TOTAL GOVERNMENT CAPITAL GRANTS¹	11,190.0	18,189.0	15,246.6	13,500.0	13,500.0	13,500.0	13,500.0

Council's Advisory Memoranda

82-1 Graduate Program Funding-Teaching MA(T)/MSc(T), McMaster University; Veterinary Science (DVSc), University of Guelph; Speech Pathology (MHSc), University of Toronto

In Advisory Memorandum 81-VII, which was accepted by the Minister on January 14, 1982, Council announced the establishment of its new Academic Advisory Committee. Council also indicated that the seven new graduate programs which the Council of Ontario Universities (COU) had recommended to Council for funding consideration, would be referred to that Committee. In addition to the six programs forwarded to Council by COU in 1980, a seventh, the University of Guelph's doctoral program in Veterinary Science, was forwarded to Council in the summer of 1981. In Advisory Memorandum 80-V, Council recommended against funding six of the programs, in 1981-82, because COU declined to comment on certain Council requirements for the funding of new graduate programs. Also, the roles of COU and Council in the area of graduate program funding consideration had not been adequately defined. Now, however, as the Minister noted in her response to Advisory Memorandum 81-VII, the "roles of COU and Council in the area of graduate program planning have now been clearly defined". As well, Council's Academic Advisory Committee is in a position to advise Council on whether each new program meets Council's funding criteria and on whether the program is consistent with the aims, objectives and existing strengths of the institution concerned.¹

Council has considered the advice of its Academic Advisory Committee with respect to the following programs proposed for funding consideration:

1. Teaching MA(T)/MSc(T) : McMaster University
2. Veterinary Science (DVSc): University of Guelph
3. Speech Pathology (MHSc): University of Toronto

Teaching MA(T)/MSc(T), McMaster University

McMaster University has the requisite existing strengths at the graduate level in various Arts and Science departments necessary to support an MA(T)/MSc(T) program, but it does not have comparable strengths in Education. Consequently, Council, especially in a time of economic constraint, cannot justify recommending the program for formula funding support. Accordingly, Council *recommends to the Minister:*

OCUA 82-1

FUNDING FOR THE MASTER'S PROGRAM IN TEACHING AT
McMASTER UNIVERSITY FOR 1982-83

THAT the MA(T)/MSc(T) program in Teaching at McMaster University be deemed ineligible for formula support.

Veterinary Science (DVSc), University of Guelph

The doctoral program in Veterinary Science at the University of Guelph fills demonstrable academic and job market needs and is consistent with the aims, objectives and existing strengths of the University. Council has carefully considered the financial

¹ See the attached three appendices.

implications involved in funding this program and feels confident that even in a time of economic constraint, it should become eligible for formula funding. Accordingly, Council *recommends to the Minister* :

OCUA 82-2

*FUNDING FOR THE DOCTORAL PROGRAM IN VETERINARY SCIENCE
AT THE UNIVERSITY OF GUELPH FOR 1982-83*

THAT the DVSc program in Veterinary Science at the University of Guelph be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1981-82 on, be included in the moving average for the university.

Speech Pathology (MSHc), University of Toronto

The University of Toronto's master's program in Speech Pathology fills demonstrable academic and job market needs. It is also consistent with the aims, objectives and existing strengths of the institution.

The University of Toronto's program in Speech Pathology was one of the six new graduate programs proposed for funding consideration in 1980. In Advisory Memorandum 80-V, Council concluded that:

The wisest course of action at the present time is not to recommend any of the proposed programs for funding in 1981-82, but to open the possibility that, if current uncertainties are resolved within the next twelve months, a future recommendation might include some measure of retroactivity.

Council went on to state that: "Specifically, Council would view it appropriate that, for any such program, all eligible enrolment from 1980-81 on be included in the appropriate moving average of the particular institution involved." Council also recommended formally that the Speech Pathology program at the University of Toronto "continue to receive formula funding support at the graduate diploma weight in 1981-82."

Consistent with the above positions, and in view of the fact that "uncertainties" have been resolved, Council now concludes, with reference to the master's program in Speech Pathology, that all eligible enrolment at the master's program weight of 4, from 1980-81 on, should be included in the moving average of the University of Toronto for formula funding support in 1982-83. Council has carefully considered the financial implications involved in funding this program and feels confident that even in a time of economic constraint, it should become eligible for formula funding. Accordingly, Council *recommends to the Minister*:

OCUA 82-3

*FUNDING FOR THE MASTER'S PROGRAM IN SPEECH PATHOLOGY
AT THE UNIVERSITY OF TORONTO FOR 1982-83*

THAT the MSHc program in Speech Pathology at the University of Toronto be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment from 1980-81 on be included in the moving average for the university, with the appropriate adjustment in weighting being made (from 1980-81 on)--from the diploma to the master's level.

B. C. Matthews
Chairman
April 1, 1982

Appendix A

OCUA ACADEMIC ADVISORY COMMITTEE
Master of Arts in Teaching, MA(T) and Master of Science in Teaching,
MSc(T), McMaster University - New Graduate Program
Considered for Formula Funding

The 1980 Annual Report to the Ontario Council on University Affairs (OCUA) from the Council of Ontario Universities' (COU) Ontario Council on Graduate Studies (OCGS) advised that McMaster's MA(T)/MSc(T) program had satisfied all four of Council's funding criteria for new graduate programs. In a covering letter with the report, COU gave its "assurance that the program should be funded despite restraint", but declined to state whether the program was "consistent with the aims, objectives and existing strengths of the particular institution" (Advisory Memorandum 79-VII). Consequently, in Advisory Memorandum 80-V, Council recommended that the program "not be approved for formula funding support in 1981-82." Council, at the same time, did leave open the possibility of considering the program again at some future date.

In December 1981, Council referred the MA(T)/MSc(T) program and six other new programs to Council's new Academic Advisory Committee, which met on January 20th and February 3rd, 1982, and, as mandated by its "Terms of Reference" (October 20th, 1981), considered the MA(T)/MSc(T) program in light of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of whether the program was consistent with the "aims, objectives and existing strengths" of McMaster University. The Committee reviewed a considerable amount of documentation, including:

- OCUA Advisory Memorandum 80-V
- OCGS Annual Report to OCUA, 1980
- Calendar descriptions of the McMaster University MA(T)/MSc(T) program and similar programs at the University of Western Ontario and the University of Toronto
- OCGS's Advisory Committee on Academic Planning's (ACAP) 1973 Discipline Assessment of Education
- McMaster University's original program proposal, dated March 3rd, 1975, and the University's two-year Report on the program, May 1979.

The Committee carefully applied each of Council's funding criteria to the new program. The Committee's findings in relation to the criteria and the question of institutional appropriateness are summarized below:

1. NEED

The Committee is satisfied that there is a need for such a program. Elementary and secondary school teachers in Ontario and throughout Canada should have a means of upgrading their subject teaching skills and their academic qualifications. They should be able to do this through programs offered on an accessible, regional basis. The Hamilton region certainly has a large school system, which utilizes a sizable number of full-time and part-time teachers. By May 1979, McMaster University had received 520 enquiries about the program, and its 1981-82 enrolment (39 part-time students) compares favourably with the current-year enrolments of both the University of Western Ontario (IFT, 6PT) and the University of Toronto (IFT, 44PT). Given the size of the local Hamilton catchment pool, the McMaster University program could be said to have a better per capita enrolment than either of the other two programs.

2. UNIQUENESS

In view of its findings, as outlined above, the Committee is satisfied that, while similar programs exist at both the University of Western Ontario and the University of Toronto,

there is strong evidence of regional importance and student demand with regard to this program.

3. APPRAISAL

The Committee is also satisfied that the program has passed a rigorous academic appraisal. While the program did not appear to require improvements at the time of its appraisal, we note that COU did request McMaster University to provide a two-year progress report.

4. ENROLMENT

Students first enrolled in the program in 1977-78 and so, as required, admission commenced prior to its being proposed (in 1980) for funding consideration.

5. AIMS, OBJECTIVES, STRENGTHS

The Committee believes that, considering McMaster University's continuing commitment to the program, and the fact that it is now part of the university's long-range plans the program is consistent with the aims and objectives of the University. The Committee recognizes that McMaster University has strength in a wide variety of Arts and Science disciplines, at both the undergraduate and graduate levels, but lacks strength in the Education area. Unlike the University of Toronto and the University of Western Ontario McMaster University does not have an undergraduate Faculty of Education. In order to compensate for the lack of a formal Education program, co-operative arrangements have been made between McMaster and other institutions with regard to library resources, but such arrangements for staff have not been made. This is a crucial deficiency. While many of the professors associated with the program at McMaster University are engaged in research and professional activities in Education and have publications in the area, there is no evidence of a close, formal connection with institutions and staff engaged in the education of teachers or the delivery of education services. The Committee believes, therefore, that McMaster University lacks sufficient formal strength in the discipline of Education.

6. FUNDING

The Committee therefore recommends to Council that:

the MA(T)/MSc(T) program at McMaster University, having not fully met Council's funding criteria and other requirements, should be recommended to the Minister as being ineligible for formula funding support.

Academic Advisory Committee
March 3, 1982

Appendix B

OCUA ACADEMIC ADVISORY COMMITTEE
Doctorate in Veterinary Science, DVSc, University of Guelph -
New Graduate Program Considered for Formula Funding

The 1981 Annual Report to the Ontario Council on University Affairs from the Council of Ontario Universities' (COU) Ontario Council on Graduate Studies (OCGS) advised that Guelph's DVSc program had satisfied all of Council's four funding criteria for new graduate programs. However, in a letter dated January 8th, 1982, COU stated that it chose to decline comment on Council's requirement (Advisory Memorandum 79-VII) that assurance be provided that a new graduate program "should be funded despite constraint" and that the program was "consistent with the aims, objectives and existing strengths of the particular institution" offering the program. Subsequently, Council referred the DVSc program to Council's Academic Advisory Committee.

The Academic Advisory Committee met on January 20th and February 3rd, 1982, and, as mandated by its "Terms of Reference" (October 20th, 1981), considered Guelph's DVSc program in light of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII).

The Committee reviewed various documents relating to the program, including:

- the Ontario Council on Graduate Studies' (OCGS) Annual Report to OCUA, 1981
- OCUA Advisory Memorandum 80-V
- OCUA Advisory Memorandum 81-VII
- Calendar descriptions of the program

The Committee carefully applied each of Council's four funding criteria to the new DVSc program. The Committee's findings in relation to the criteria and the question of institutional appropriateness are summarized below:

1. NEED

The Committee is satisfied that there is a need for this program within both Ontario and Canada. There are concrete employment prospects for graduates of this program. There are at least eleven different job settings which have been identified, including veterinary colleges, various federal and provincial governmental departments and agencies and private industry. Considerable interest has been shown in the program, as evidenced by the large number of enquiries which have been made.

2. UNIQUENESS

The Committee is satisfied that no similar program in the field is available in Ontario, or for that matter in Canada. As it involves a combination of the acquisition of applied skills, an in-service training component and investigatory applied research, the program is significantly different from the current research-oriented PhD programs offered at the University of Guelph by the Ontario Veterinary College. The University of Guelph is the only university in Ontario with a veterinary college and, therefore, the only one capable of mounting such a program.

3. APPRAISAL

The Committee is satisfied that the program has passed a rigorous appraisal and that no improvements are required.

4. ENROLMENT

Four full-time students enrolled in the program's initial academic year of operation, 1980-81. Council's enrolment criterion has, therefore, been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS

As this program is interdepartmental, and builds on the strengths of the four existing departments in the Ontario Veterinary College, and as veterinary studies have a long tradition at the University of Guelph, the Committee is satisfied that the new DVSc program is consistent with the aims, objectives and existing strengths of the University.

6. FUNDING

The Committee, therefore, recommends to Council that:

the DVSc program at the University of Guelph, having satisfied all of Council's funding criteria and other requirements, including the question of institutional appropriateness, be recommended to the Minister as being eligible for formula funding support.

Academic Advisory Committee
March 3, 1982.

Appendix C

OCUA ACADEMIC ADVISORY COMMITTEE
Master of Health Science (MHSc) Speech Pathology, University
of Toronto - New Graduate Program Considered for Formula
Funding

The 1980 Annual Report to the Ontario Council on University Affairs (OCUA) from the Council of Ontario Universities' (COU) Ontario Council on Graduate Studies (OCGS) advised that the University of Toronto's MHSc program in Speech Pathology had satisfied Council's four funding criteria for new graduate programs. Subsequently, however, Council recommended against formula funding for the program for 1981-82, as COU declined to address adequately the questions of institutional appropriateness and the funding of a new graduate program in a time of general economic constraint. However, to resolve the outstanding issues involved, Council recently referred the MHSc Speech Pathology program to its Academic Advisory Committee.

The Academic Advisory Committee met on February 3rd and 24th, 1982 and, as mandated by its "Terms of Reference" (October 20th, 1981), considered the University of Toronto's MHSc Speech Pathology program in light of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of institutional appropriateness.

The Committee reviewed various documents relating to the program, including:

- calendar descriptions and enrolment statistics from the University of Toronto and the University of Western Ontario
- the OCGS Annual Report to OCUA, 1980
- OCUA Advisory Memorandum 80-V
- OCUA Advisory Memorandum 81-VII,

and carefully applied each of Council's four funding criteria. The Committee's findings in relation to the latter and the question of institutional appropriateness are summarized below:

I. NEED

The Committee is satisfied that there is both a provincial and a national need for this program. There has been a persistent shortage of qualified speech pathologists in recent years. At the same time, the student demand for places in Speech Pathology programs increased dramatically during the 1970's. The ratio of applicants to registrants for the Toronto program has held steady at about 5:1. The first employment record for the graduates of the program indicates that virtually all found suitable employment within Ontario or other parts of Canada.

II. UNIQUENESS

The Committee is satisfied that "exceptional circumstances" exist in the case of the University of Toronto program and Council's second funding criterion concerning uniqueness has, therefore, been met. While the Speech Pathology program at the University of Western Ontario is similar to the one being offered at the University of Toronto, there is strong evidence of student demand (as already mentioned) and regional importance. Many hospitals within the Metropolitan Toronto area are involved in the study and treatment of communication disorders, particularly the Hospital for Sick Children and Mount Sinai Hospital. Students and staff of the former University of Toronto diploma program in Speech Pathology have always had a close association with the eight teaching hospitals associated with the University. Students in the

master's program continue to have such an association. The Committee takes special note of the fact that the program, though having undergone changes during conversion to a master's program, was offered continuously on a diploma basis from 1958-1979, and also that in 1972 the Ontario Council of Health recommended that speech pathologists should have a master's degree.

3. APPRAISALS

The Committee is satisfied that the program has passed a rigorous appraisal and that no improvements are required.

4. ENROLMENT

Forty full-time students are enrolled in the program this year, and Council's enrolment criterion has, therefore, been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS

The staff and students of the Speech Pathology program can take advantage not only of the long-standing association with Metropolitan Toronto's hospitals, but also of the University's strong and comprehensive array of Health Science disciplines. Graduate faculty from Anatomy, Physiology, Medical Science, Dentistry and Linguistics are cross-appointed to the Speech Pathology program. The Committee is satisfied that the program is consistent with the aims, objectives and existing strengths of the University of Toronto.

6. FUNDING

The Committee therefore recommends to Council that:

the MHSc program in Speech Pathology at the University of Toronto, having satisfied Council's funding criteria and other requirements, be recommended to the Minister as being eligible for formula funding support.

Academic Advisory Committee
March 3, 1982

82-II Minimum Admission Standards for the Funding Support of Students Registered in the First Year of Undergraduate Degree Programs

On February 26, 1982, the Executive Director of the Council of Ontario Universities (COU) wrote to the Chairman of Council to advise that COU had, at its January, 1982 meeting, approved the following motion:

that (COU) recommend to OCUA withdrawal of funding in the first year for Ontario secondary school students admitted to Ontario universities with less than the minimum admission standards, as approved by COU in March 1980.

The minimum standard adopted by COU was a 60% average on a student's best six Grade XIII credits.

Council has considered the COU recommendation and deems it appropriate that the *Operating Formula Manual* be amended to specify a minimum admission standard which would be required before students registered in the first year of undergraduate degree programs could be considered eligible for funding support. Specifically, it is suggested that Section III. 3.4. of the Manual be amended to read, in part, along the following lines:

Students registered in First Year of undergraduate degree programs, who on the applicable count date, have *not* successfully completed the requirements for the Ontario Secondary School Honour Graduation Diploma with a 60% average on the best six final OSSHGD credits, or the equivalent from other educational jurisdictions except...

Council recognizes that more appropriate wording, or changes to other relevant sections of the Manual, may be required.

Accordingly, Council *recommends to the Minister:*

OCUA 82-4

MINIMUM ADMISSION STANDARDS FOR THE FUNDING SUPPORT OF STUDENTS REGISTERED IN THE FIRST YEAR OF UNDERGRADUATE DEGREE PROGRAMS.

THAT the Operating Formula Manual be amended to incorporate minimum admission standards for the funding eligibility of students registered in the first year of undergraduate degree programs in accordance with the considerations noted in this memorandum.

J.C. Matthews
Chairman
April 15, 1982

82-III Government Support of the University System in 1983-84

The increases in Government funding for the Ontario university system in 1983-84 recommended in this Memorandum are estimated to allow the institutions to maintain the level of services provided in 1982-83 at the increased enrolment projected for 1983-84. Council's recommendations do not include the amount (or any portion of the amount) that would be required to recoup the shortfall in funding accumulated during recent years and are based, with reluctance, solely on the present (1982-83) levels of funding and service. Council strongly urges that there be no further erosion of level of service in 1983-84 and that the funding increase in 1983-84 should be as recommended herein to ensure that this is the case.

Inadequate levels of funding in the years since 1977-78 (the last year for which Council's funding advice was accepted) to the present, have forced the institutions to

- a) Increase the student/faculty ratio. In the interest of accessibility, the institutions have met the demands of increasing numbers of qualified students. Total FTE enrolment in the system has increased since 1977-78 and in 1981-82 was 5.2% larger than in 1977-78. A further increase of 4.5% is projected for 1982-83. During the same period, the institutions have not increased the overall number of faculty; the number of non-academic staff has actually been decreased.
- b) Make cumulative reductions in expenditures on essential non-salary items such as teaching equipment replacement, library and laboratory resources and general operation and maintenance.

It is Council's opinion that the deleterious effects of these trends must not be allowed to continue. Therefore, Council's funding recommendations for 1983-84 are intended to enable the universities to halt both of these trends. Council is certain that anything less will be insufficient to maintain the currently reduced levels of achievement of the goals set out for the Ontario university system. These goals were outlined by Council in *The Ontario University System: A Statement of Issues* and have been endorsed by Government. They are as follows:

1. To develop a more educated populace;
2. To educate and train people for the professions;
3. To provide for study at the highest intellectual level;
4. To conduct basic and applied research including development and evaluation; and
5. To provide service to the community.

While the institutions have made great efforts to maintain the level of achievement of the goals in the face of inadequate funding, Council believes that continued inadequate funding must be followed by a deliberate reduction in the level of achievement of the goals. For example, reduction in enrolment, at the sacrifice of accessibility may be a necessary and wise course of action if funding continues to be inadequate.

Council was impressed at its Spring hearings by the frustration expressed by representatives of the institutions in their struggle to meet the established goals in the face of inadequate funding. Council itself shares that frustration, especially in view of Government's failure to meet Council's recommended funding increases in any of the last five years.

I. The Extent of Underfunding in 1982-83

In *A Financial Analysis of the Ontario University System - 1981*, it was noted that sir,

1977-78, the last year for which Council's funding advice was accepted, annual increases in operating grants by Government to the Ontario university system averaged 2.6% below the annual increases in Government budgetary expenditures (excluding debt servicing) for the same period. For 1982-83, it has been announced that, in a year where total Government expenditures are projected to increase by 10.8%, university funding will increase by 12.2%.

The Ontario Budget tabled on May 13, 1982, however, announced the extension of the 7% retail sales tax to include many items not previously taxed and an increase in Ontario Hospital Insurance Plan (OHIP) premiums. The estimated additional operating cost to the university system resulting from these actions is \$7.4 million for 1982-83. Thus the effective increase in funding to the university system is 11.5%, instead of 12.2%. Once again, this falls considerably short of the 14.4% increase recommended by Council. In fact, inflationary and enrolment trends have turned out to be such that the universities would have been underfunded even if Council's recommendation had been accepted by Government. A recalculation, using current estimates of inflation and enrolment change, indicates that Council's funding advice would have been about \$8 million short of the university system's basic requirements.¹

Council does not use interprovincial comparisons as a basis for its funding advice. However, it does note that during the six-year period 1974-75 to 1979-80, for which comparable data are available, Ontario dropped from seventh to ninth place among the provinces in terms of the level of provincial grants per full-time equivalent (FTE) student. Council has calculated that if Ontario universities had been funded at a level of operating grants per FTE student equal to the weighted average level of the other nine provinces, Government would have provided \$197 million more than it did in 1979-80. One could argue on the basis of these comparisons that the Ontario university system is the most cost-efficient. More realistically, however, Council believes that the significantly lower funding levels per student in Ontario raise serious concerns about the comparative quality of Ontario universities.

II. Grants for Equipment and Library Acquisitions

In addition to its recommendations on the required increase in operating grants for 1982-83, Council also recommended, in Advisory Memorandum 81-II, that \$10 million be provided for equipment replacement and library acquisitions. No direct response to this recommendation was made. However, Council is pleased that the Government made \$10 million available in March of 1982 to the university system (excluding OCA and Ryerson) through the Board of Industrial Leadership and Development (BILD). These funds are to be applied by the universities "to cover engineering and science equipment plus new or expanding research employment contracts".² Council welcomes these additional funds for the universities.

II. Calculation of Funding Requirements for 1983-84

Having outlined some of the pertinent facts about recent funding levels and their implications for the system, Council now proceeds to calculate the requirements for 1983-84.

a) Basic Funding Objectives for 1983-84

In view of the underfunding of recent years, Council continues to believe (and even more urgently insists) that the basic funding objectives used in the past should be met in 1983-84. These objectives are: (1) to offset inflationary trends, (2) to maintain levels of service commensurate with changes in enrolment, and (3) to adjust for predicted enrolment change.

b) Cost of Basic Funding Objectives for 1983-84

The method of calculating the funding required for 1983-84 and the factors used in the calculations are given below. The results are documented in Table I. The methodology is similar to that used in previous years.

¹In accordance with the Minister's acceptance of OCUA 79-12, revenue received from additional optional fees is not taken into consideration in this memorandum.
²Board of Industrial Leadership and Development, BILD—This is what was done in the first year, p. 6.

Table I

The Cost of Basic Funding Objectives for 1983-84
(\$ million)

	1	2	3	4	5	6	7
	1982-83 Base	Inflationary Trend Costs	Service Level Costs	Efficiency/ Rationalization Factor	Predicted Enrolment Change	Stabilization Factor	Cost of Basic Objectives for 1983-84
Expenditures							
Salaries and Fringe Benefits	1,066.5	101.3	19.9	-5.9	35.5	-17.8	1,199.5
Non-Salary	255.0	31.6	0.0	-1.4	8.6	-4.3	289.5
Total	1,321.5	132.9	19.9	-7.3	44.1	-22.1	1,489.0

Notes:

1. Percentage change factors are as follows: Column 2: + 9.5%, 12.4%, Column 3: + 1.7%, 0.0%, Column 4: - 0.5%, Column 5: + 3.0%, Column 6: - 50.0% of Column 5
2. These factors, except for column 6, are applied to the cumulative total of the previous columns.

(i) The 1982-1983 Base (Column 1)

The 1983-84 financial requirements for the Ontario university system are built upon the estimated 1982-83 expenditures. For this purpose, the expenditures in 1982-83 are assumed to equal the estimated revenues in 1982-83. Thus the 1982-83 base has not been increased to include the 1982-83 funding shortfall of \$28.7 million identified in Appendix A.

On this basis, Council estimates that the 1982-83 base of operating revenue and expenditures of all institutions (the fifteen provincially-assisted universities, the affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College) will be \$1,321.5 million.

The 1982-83 base expenditures are apportioned as follows: 80.7% for salaries and benefits and 19.3% for non-salary items. This is the average proportion that exists in the universities' budgets.

(ii) Increases in Costs due to Inflation (Column 2)

Forecasts by several competent authorities of the increase in the Consumer Price Index (CPI) for 1983-84 have been reviewed. These projections range from 8.0% to 12.0%. Council has chosen 9.5% as the inflation factor to be applied to the salaries and benefits portion of the base.³

Increases in the prices of non-salary items purchased by universities have exceeded the CPI for several years. The annual increase in the Ontario University Non-salary Price Index (OUNSPI)⁴ averaged 30.5% higher than the annual increase in the CPI during the seven-year period, 1974-75 to 1980-81. Thus, using the projected CPI of 9.5% for 1983-84, Council has estimated that the increase in costs of non-salary items in 1983-84 will be 30.5% higher than the CPI (i.e., 12.4%). This inflation factor has been used to calculate the increase required for non-salary items.

(iii) Increase in Costs of Maintaining Existing Service Levels (Column 3)

There is a cost of maintaining existing service levels in addition to the costs calculated in (ii) above. The major component of this additional cost is the net cost of providing for progress-through-the-ranks (PTR) for faculty and non-academic staff. This net cost arises from the fact that, because of the uneven age distribution, the number of people retiring (on higher salaries) and being replaced by younger people (on lower salaries) is not sufficient to provide the total funds required for the normal progress of continuing faculty and staff.

The faculty manpower flow model developed by the Council of Ontario Universities predicts that, for the existing age distribution of faculty, the net cost of providing for PTR in 1983-84 will be 1.7% of salaries and benefits.

At the request of Council, COU has undertaken a preliminary review of the net costs of providing for career progress for non-academic staff. Using data from selected institutions for one year (1980-81), the net cost for career progress for that year was .9% of non-academic staff salaries and benefits. In that same year, the net cost for PTR for faculty was estimated at 2.1%. Assuming a similar relationship in 1983-84 one might estimate the cost of career progress for staff to be 0.2% less than for faculty (i.e., 1.5%). It is Council's opinion, however, that the data on costs of career progress for non-academic staff are not sufficiently reliable. Hence it has chosen to use the same figure (1.7%) for staff as for faculty to calculate the net costs of career progress in 1983-84. At the same time, Council is urging the Council of Ontario Universities to study this matter further in an effort to obtain a more reliable estimate of the net costs of providing for career progress for non-academic staff.

To estimate the net costs in 1983-84 of providing for career progress of faculty and staff, a factor of 1.7% has been applied to the total of all salaries and fringe benefits expenditures.

³ This increase for salaries and benefits is estimated to be the amount required to maintain base salaries at 1982-83 levels. The increase contains no "catch-up" component. Council is aware, however, of the possible impact of the 1982 University of Toronto faculty salary arbitration award which did.

⁴ The Ontario University Non-salary Price Index is calculated annually by the Council of Ontario Universities.

*(iv) Cost Reductions due to Efficiency/Rationalization
(Column 4)*

In the belief that institutions can reduce expenditures to some extent but still retain levels of service by improving efficiency and rationalization of programs, Council has for several years, reduced its total funding estimate by a factor of 0.5% to 1.5%. In recent years, the Council of Ontario Universities has expressed the view that, as a result of prolonged underfunding, all of the cost reductions that can be achieved by increasing efficiency/rationalization have been realized. Council believes, however, that the system must continue to search for ways to increase efficiency. Therefore Council is continuing to use an efficiency factor of -0.5% (as in the past two years) in calculating the funding requirement for 1983-84.

This efficiency/rationalization may appear to be small in magnitude. However, the recent retail sales tax and OHIP premium changes introduced in this Spring's Ontario Government budget will have the effect of increasing Council's -0.5% efficiency/rationalization factor to -1.2%.

(v) Projected Increase in Enrolment (Column 5)

In 1981-82, total university enrolment increased by about 5% and is estimated by the Council of Ontario Universities' Committee on Enrolment Statistics and Projections to increase in 1982-83 by a further 4% to 5%. Council has considered this forecast together with: (1) the most recent data on the number of applications and applicants for first year admission in the Fall of 1982, (2) trends in the size of the cohort (18-24 years of age) from which universities will draw the majority of students, (3) recent trends in participation rates, (4) recent data on retention rates and the consequent potential enrolment increases in upper years in 1983-84, and (5) recent projections of the number of Secondary School Honours graduates in 1983.

On the basis of these data, Council estimates that enrolment in the university system in Ontario will increase by 3.0% in 1983-84 over 1982-83.

(vi) Funding Stabilization Factor (Column 6)

For a number of years, in order to dampen the effect of enrolment change in any year on funding change, Council has discounted the projected growth or decline in enrolment by 50%. This discounting factor is applied to the projected enrolment increase in 1983-84.

(vii) Total Cost of Basic Funding Objectives (Column 7)

By adding the figures in columns 1 to 6 inclusive, Council estimates that the total cost of the basic funding objectives in 1983-84 will be \$1,489.0 million, a 12.7% increase over the 1982-83 estimated expenditure base.

IV. Estimated Government Grants Required to meet the Basic Funding Objectives

Council estimates that the other income accruing to the university system in 1983-84 in addition to Government grants, will be:

- (1) from other sources, \$56.6 million, the same as the amount projected for 1982-83.
- (2) from fees other than tuition fees, \$14.3 million, the same as the amount projected for 1982-83 adjusted for the projected 3.0% increase in enrolment in 1983-84.
- (3) from formula tuition fees, \$228.5 million, at 1982-83 rates including an adjustment for the predicted 3.0% increase in enrolment in 1983-84. In accordance with Council's advice in Memorandum 79-IV that formula fee rates be increased each year by the same percentage as the increase in operating grants, formula fee rates should be increased by 12.8% in 1983-84 yielding an additional \$29.2 million for a total of \$257.7 million in formula fee revenue in 1983-84.

Table II

**Cost to Government of Meeting Council's Basic
Cost to Government of Meeting Council's Basic Funding Objectives for
1983-84: Provincially-Assisted Universities, Affiliated Colleges, Ryerson, OISE,
OCA and Dominican College**
(\$ million)

1. Cost of Basic Funding Objectives	1,489.0	
2. Other Revenue	(56.6)	
3. Other Fee Revenue	(14.3)	
4. Total Formula Fees and Government Operating Grants required to meet Council's Basic Funding Objectives	<u>1,418.1</u>	
5. Formula Fee Revenue at 1982-83 rates and the predicted 1983-84 level of enrolment	228.5	
6. 1982-83 Operating Grants	<u>1,029.2</u>	
7. 1982-83 Operating Grants and enrolment-adjusted Formula Fee Revenue (line 5 + line 6)	<u>1,257.7</u>	
8. Percentage increase in Operating Grants and Formula Fee Revenue $\frac{(\text{line 4} - \text{line 7} \times 100)}{\text{line 7}}$		12.8%
9. Additional Formula Fee Revenue generated by a 12.8% increase in formula fee rates	29.2	
0. Total Formula Fee Revenue (line 5 + line 9)	257.7	
1. Cost to Government of Basic Funding Objectives (line 6 increased by 12.8%)	1,160.4	

As a result, Council estimates that of the total \$1,489.0 million required, \$1,160.4 million must be made available as government operating grants to meet the costs of Council's basic funding objectives.

In his budget statement of May 13, 1982, The Honourable Frank Miller, Treasurer of Ontario, said "I now serve notice to all recipients of Provincial Funds that they should not count on future funding at or above inflation rates".⁵ In preparing its recommendations for funding, Council has in the past always been cognizant of the economic constraints facing Government. Hence in its calculation of funding requirements Council has for many years reduced the estimated requirement by a factor for efficiency/rationalization, thus requiring "everyone to demand a little less of the system and to put a little more back into it".⁶

The total amount of \$1,160.4 million is a 12.8% increase over the total amount provided for 1982-83. But this includes the amount required because of increased enrolment. The present 1982-83 Basic Income Unit (BIU) values are \$3,669 (undergraduate) and \$3,576 (graduate).⁷ The increase in basic funding recom-

⁵1982 Ontario Budget, Budget Statement, p. 17.

⁶*Ibid.*, Budget Statement, p. 17.

⁷Ministry of Colleges and Universities, *Universities Audit Reports: Financial Reports*, May 14, 1982, p. 9.

mended for 1983-84, with the projected increase in enrolment, would result in BIU values of \$4,062 (undergraduate) and \$3,959 (graduate), an increase of 10.7% in funding per BIU - well within the range of forecasts of inflation in 1983-84. Thus Council's funding recommendation for 1983-84 is very much in keeping with the restraint announced by the Treasurer of Ontario in the budget statement of May 13, 1982.

Accordingly, Council recommends to the Minister and Lieutenant-Governor in Council:

OCUA 82-5

GOVERNMENT OPERATING GRANTS FOR 1983-84 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES IN FUNDING THE OPERATION OF PROVINCIALY-ASSISTED UNIVERSITIES AND THEIR AFFILIATED COLLEGES, RYERSON POLYTECHNICAL INSTITUTE, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION, THE ONTARIO COLLEGE OF ART AND DOMINICAN COLLEGE

THAT \$1,160.4 million in operating grants be made available in 1983-84 to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.

OCUA 82-6

FORMULA FEE RATES FOR 1983-84 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES

THAT formula fee rates for 1983-84 be increased by the same percentage as operating grants, namely 12.8%, to provide \$257.7 million in formula fee revenue to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College, and that this increase in formula fee rates be fully reflected in the Ontario Student Assistance Program.

V. Estimated Costs of Bar Admissions Course and Bilingualism

The increase in the grant-in-aid for the Bar Admission Course of the Law Society of Upper Canada for 1983-84 is not included in the calculations above.

In 1976-77, Council determined that the increased costs of bilingualism in certain institutions was \$2.0 million and recommended that that amount be provided. Government actually provided \$1.5 million, which, adjusted for the amount of the actual increases in government total operating grant, is included in the 1982-83 funding base used in the calculation of the total basic funding required for 1983-84.

Council remains convinced of the need for the remaining portion (\$0.5 million adjusted by the percentage increase in actual grants since 1980-81) of the \$2.0 million originally requested to support bilingualism.

Therefore, Council recommends that \$1.5 million be made available in 1983-84 to increase the grant-in-aid for the Bar Admission Course and to provide the remaining \$0.5 million (adjusted as noted above) required for bilingualism activities.

Accordingly, Council recommends to the Minister and Lieutenant-Governor in Council:

OCUA 82-7

FUNDING FOR 1983-84 FOR EXISTING BILINGUALISM PROGRAMS AND FOR THE BAR ADMISSION COURSE

THAT \$1.5 million be provided in 1983-84 for the remaining portion of the documented incremental costs of existing bilingualism programs, and for a grant-in-aid for the Bar Admission Course.

IV. Equipment and Library Needs

As indicated previously, Council is encouraged by the efforts of the Board of Industrial Leadership and Development to provide additional funding to purchase modern research equipment for engineering and science in Ontario universities in 1982-83. While recognizing the need for additional funding for research equipment for engineering and science, Council also notes that there are other research and teaching needs and library resource needs that are not met under the BILD program.

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

OCUA 82-8

EQUIPMENT AND LIBRARY FUNDING FOR 1983-84

THAT, in addition to the amounts recommended in 82-5, 82-6 and 82-7, \$12.0 million be provided in 1983-84 in recognition of the special need for equipment and library acquisitions.

VII. Capital Assistance

In *A Financial Analysis of the Ontario University System - 1981*, Council pointed out that during the period in which Council has provided capital funding recommendations (1976-77 to 1981-82), Government support has fallen \$68.7 million short of Council's total recommendations for new major repairs, renovations and replacement projects. In Advisory Memorandum 81-II, Council recommended that \$23.1 million be provided in 1982-83 for new major repairs, renovations and replacement projects. Only \$4 million was made available for these purposes. Subsequently, in the budget of May, 1982 a further \$5 million was made available to the universities for repairs as part of the 1982 short-term job creation program.

In the course of its Spring 1982 hearings, Council heard many concerns expressed about the safety of many of the older buildings in the Ontario university system. It appears that virtually all funds being provided for major repairs, renovations and replacement projects are going towards safety-related projects and unless a project is aimed at correcting a serious fire, health or safety hazard it goes unfunded. Indeed, Council has found that not all safety-related projects have been funded. Given this situation, Council, therefore, reaffirms its conviction that capital underfunding of this magnitude will necessitate unduly large outlays of capital assistance in the future, which over the long term will be more costly than the annual provision of a reasonable level of funds for major repairs, renovations and replacement.

Council continues to use a level of 1% of the value of the space inventory in the university system as the minimum necessary annually for major repairs, renovations and replacement projects. The value of this space inventory has been adjusted by an appropriate inflation factor. Thus, last year's recommendation for capital assistance has been increased by 9.5%, the most recent change in the Non-Residential Building Construction Price Index (1980 to 1981).

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

OCUA 82-9

LEVEL OF SUPPORT FOR MAJOR REPAIRS, RENOVATIONS AND REPLACEMENT PROJECTS IN 1983-84

THAT funds for capital assistance in 1983-84 be \$25.3 million for major repairs, renovations and replacement projects, plus any amount required for carry-overs and essential new construction.

VIII. Conclusion

While the funding increase for 1982-83 is an improvement, relative to actual cost increases, over the funding increases provided in the previous four years, it falls short of

that recommended by Council as being required to meet the basic funding objectives. The shortfall between university system revenues and needs continues to accumulate. Hence, Council is becoming increasingly concerned about the continuing quality of the Ontario university programs and about the ability of the Ontario university system to meet adequately the goals enunciated by Council in *The Ontario University System: A Statement of Issues*. It is Council's conviction that the funds recommended in this memorandum are the minimum required to ensure that quality does not decline further and that the goals of the Ontario university system are met in 1983-84 to the same extent that they are being met in 1982-83. If these recommendations cannot be accepted, it may be necessary to adjust immediately the extent to which the goals for the system, as endorsed by Government, can continue to be achieved with the level of funds available.

B. C. Matthews
Chairman
June 11, 1982

Appendix A

REVISED CALCULATION OF SHORTFALL IN FUNDING FOR 1982-83

The estimate of the basic funding requirements for 1982-83 contained in Advisory Memorandum 81-IX have been revised to reflect up-dated estimates of CPI and of the enrolment increase for 1982. Specifically, the inflation factor for salaries and fringe benefits has been changed from 11.0% to 11.4%, and for non-salary items from 14.5% to 15.1%. Enrolment increase projections have been changed from 2.0% to 4.5%. As a result, the revised estimate of the cost of basic funding objectives in 1982-83 is \$1,355 million.

The estimate of total funds available to the Ontario University system has also been revised to reflect up-dated information on government grants and fees. Taking into account the formula fee rate increase of 12.2%, Council now estimates that total fee income (tuition and other fees) will be \$235.8 million in 1982-83. Government operating grants will total \$1,029.2 million (not including the \$0.6 million for the grant-in-aid to the Bar Admission Course). Other revenue is estimated to be \$61.3 million in 1982-83. Thus the total estimated revenue available to the system is \$1,326.3 million.

The revised estimate of the shortfall in revenue compared to the expenditures required to meet the basic funding objectives, is \$28.7 million (\$1,355.0 - \$1,326.3 million). This compares with a figure of \$20.953 million for the shortfall where the original inflation and enrolment estimates are used (see Advisory Memorandum 81-IX).

THE 1982-83 BASE

This appendix outlines the derivation of the 1982-83 base used in Council's funding exercise. For the purpose of this exercise, Council assumes that system expenditures in 1982-83 will equal total revenue, and estimates total operating revenue at \$1,310.2 million. Table A-1 provides details of 1982-83 revenues by type.

FORMULA AND NON-FORMULA GRANTS

The figure \$1,029.155 million found in Table A-1 is derived by subtracting \$6.375 million in line-item grants and \$0.637 million to be used for the grant-in-aid to the Bar Admission Course from the \$1,036.167 million in operating grants announced by the Minister on February 18, 1982.

FORMULA AND OTHER FEES

Council's funding base includes only that fee revenue which is derived from formula fees and other fees. Any revenue accruing to the universities as a result of the application of their discretionary tuition fee power has been excluded from the base. The 1982-83 formula fee revenue is estimated to equal \$221.87 million. This is calculated by applying the 1982-83 formula fee rates to 1982-83 enrolment and adjusting for the predicted 4.5% increase in enrolment for 1982-83. This figure also includes an estimate of supplementary foreign fee revenue and third-term graduate formula fees. The other fee revenue estimate of \$13.9 million was based on the universities' budget reports for 1982-83.

OTHER REVENUE

Other revenue includes Ministry line-item grants of \$6.375 million and an estimated \$50.2 million in other sources of income. The latter amount was derived from the universities' reports on budgeted revenue for 1982-83. It should be noted that the income category "sales of services and products" is now excluded from other income. The Committee of Finance Officers-Universities of Ontario's (COFO-UO) accounting of this item has changed since last year, leaving this category a nil item. In order to eliminate any confusion in reporting to Council and to COFO-UO, Council has adopted the COFO-UO reporting procedure.

Table A-1

University System Revenue 1982-83 Estimate (\$ millions)	
Formula and Non-Formula Grants*	1,029.155
Formula Fees	221.870
Other Fees	13.900
Other Revenue**	56.575
Total	1,321.500

* Excludes Ministry line-item grants and Bar Admission Course grant-in-aid.

**Includes Ministry line-item grants.

82-III A Government Support of the University System in 1983-84 in Light of the Inflation Restraint Act, 1982

On June 11, 1982, Council finalized its advice on the level of Government support required by the university system in 1983-84 and, on June 29, 1982, submitted that advice to the Minister of Colleges and Universities. On September 21, 1982, Government introduced Bill 179, *An Act Respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province*. This Act, passed on December 15th, 1982, places certain restraints on the increases in compensation that can be provided in 1983-84 by the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College. At the time that Bill 179 was introduced in the Legislature, it was announced that tuition fees would be limited to a 5% increase in 1983-84. Thus the introduction of the restraint program will result in a financial environment for the institutions that is substantially different from that projected by Council in June, 1982 in formulating its funding advice for 1983-84.

In this Memorandum, Council takes account of the impact of the restraint program now in place for 1983-84, re-calculates its advice on the amount of Government support required for 1983-84, and makes a new recommendation to replace Recommendation 82-5 contained in Advisory Memorandum 82-III. This is an unusual step for Council to take but it is prompted by unusual circumstances.

I. Calculation of Funding Requirements for 1983-84

The Basic Funding Objectives for 1983-84 presented in Advisory Memorandum 82-III remain unchanged. The cost of basic funding objectives for 1983-84, however, has been recalculated with the results shown in Table I.

(a) *The 1982-83 Base (Column 1)*

The 1982-83 Base remains unchanged at \$1,321.5 million.

(b) *Increases in Costs due to Inflation (Column 2)*

The *Inflation Restraint Act, 1982* dictates "a one-year five per cent wage freeze in all areas of the public sector in Ontario".¹ This 5% wage scale guideline is to be applied to the compensation plans expiring between October 1, 1982 and September 30, 1983. For most universities, this wage scale guideline will be in effect for 10 months of the 1983-84 fiscal year, while for the remaining institutions the 5% guideline will be in effect for 12 months of the 1983-84 fiscal year. On average, the 5% guideline will be in effect for 10.5 months of the 1983-84 university fiscal year.

Council has re-estimated its 1983-84 salary inflation factor to reflect salary costs under the Government restraint program. Council's new salary inflation factor of 5.7% is calculated by: (1) applying the 5% wage scale guideline for 10.5 months of the 1983-84 fiscal year; and (2) applying for the remaining 1.5 months the average percentage increase in salary scales found in the 1982-83 salary settlements of the institutions whose present salary contracts overlap into the 1983-84 fiscal year.

Council has made an additional special benefits inflation provision in column 2 of Table I. Normally, Council assumes that benefit costs will increase at the same rate as salary costs. However, for 1983-84, when it is estimated that salary cost increases will be constrained to 5.7%, certain benefit costs will not be constrained. In particular, by Government of Canada legislation, the employer's share of unemployment insurance premiums will increase by about 40%. Therefore, an

¹. Statement by the Honourable William G. Davis, Premier of Ontario, to the Legislature (September 21, 1982).

Table I

The Cost of Basic Funding Objectives for 1983-84
(\$ million)

	1	2	3	4	5	6	7
	1982-83 Base	Inflationary Trend Costs	Service Level Costs	Efficiency/ Rationalization Factor	Predicted Enrolment Change	Stabilization Factor	Cost of Basic Objectives for 1983-84
Expenditures							
Salaries and Fringe Benefits	1,066.5	65.4	5.7	-5.7	34.0	-17.0	1,148.9
Non-Salary	255.0	28.1	0.0	-1.4	8.5	-4.3	285.9
Total	<u>1,321.5</u>	<u>93.5</u>	<u>5.7</u>	<u>-7.1</u>	<u>42.5</u>	<u>-21.3</u>	<u>1,434.8</u>

Notes:

1. Percentage change factors are as follows: Column 2: + 5.7%, 11.0%, Column 3: + 0.5%, 0.0%, Column 4: - 0.5% Column 5: + 3.0%, Column 6: -50.0% of Column 5
2. These factors, except for column 6, are applied to the cumulative total of the previous columns.
3. Column 2 also includes \$4.6 million in increased unemployment insurance premium costs.

additional \$4.6 million has been added to the salary and fringe benefits factor in column 2 of Table I to reflect the estimated increased costs which the universities will incur in 1983-84 from this expenditure item.

The annual percentage increases in the prices of non-salary items purchased by universities have exceeded the annual percentage increases in salaries for several years. During the seven-year period, 1974-75 to 1980-81, the annual increase in the Ontario University Non-Salary Price Index (OUNSPI)² averaged 30.5% higher than the annual increase in the Consumer Price Index (CPI). After reviewing recent forecasts by several competent authorities, Council now estimates that the CPI will increase by 9.0% in 1983-84 (this compares with Council's June, 1982 estimate of 9.5%).

However, in view of the restraint program, application of the differential between OUNSPI and CPI (30.5%) to Council's estimate of the increase in CPI for 1983-84 would likely over-estimate the increase in costs in non-salary items. The prices of approximately 15% of the universities' non-salary expenditures are likely to be controlled in 1983-84 under either the Government of Ontario or Government of Canada administered price restraint programs. The prices of the remaining non-salary expenditures are not likely to be directly affected by Government restraint programs. Therefore, Council's 1983-84 estimate of non-salary inflation is calculated by applying the 30.5% differential to: (1) Government's 5% guideline for those expenditures falling under one of the administered price restraint programs (15% of non-salary expenditures); and (2) Council's estimate of the 1983-84 increase in CPI for the remaining non-salary expenditures (85%). This results in a non-salary inflation estimate of 11.0% for 1983-84.

*(c) Increase in Costs of Maintaining Existing Service Levels
(Column 3)*

The faculty manpower flow model developed by the Council of Ontario Universities predicts that, for the existing age distribution of faculty, under normal salary conditions (i.e., without the wage restraint program) the net costs of providing for progress-through-the-ranks (PTR) in 1983-84 would be 1.7% of salaries and benefits. However, the wage restraint program does not allow any increase in salaries to recognize PTR for faculty with salaries equal to or greater than \$35,000. When the faculty manpower flow model is adjusted to reflect this, on a 12-month basis, the estimated net "cost" of providing for faculty PTR in 1983-84 will be -0.7% of faculty salaries and benefits. However, similar to salary scale provisions under this legislation, the PTR wage restraint provision applies, on average, to only 10.5 months of the 1983-84 fiscal year. Consequently, Council's estimate of net faculty PTR costs for 1983-84 of -0.4% is calculated by: (1) applying the -0.7% wage restraint faculty PTR cost estimate for 10.5 months of the 1983-84 fiscal year and (2) applying, the original 1.7% estimate of net faculty PTR costs for the remaining 1.5 months of 1983-84 when the wage restraint program is not in effect. Thus, under the PTR provisions of Government's wage restraint program, the universities will save 0.4% of faculty salaries and benefits in 1983-84 as a result of the difference in salaries between people (at higher salaries) leaving the faculty complement and people (at lower salaries) entering faculty ranks.

Government's wage restraint program does not limit PTR salary increases for individuals earning under \$35,000 and the vast majority of non-academic staff fall within this category. The savings experienced as a result of not having to provide PTR to non-academic staff earning over

² The Ontario University Non-salary Price Index is calculated annually by the Council of Ontario Universities.

\$35,000 in salary are expected to be more than offset by the provision under the restraint legislation to provide individuals earning less than \$20,000 a salary scale increase of greater than 5%. Consequently, Council continues to use 1.7% as the cost of providing for career progress in the non-academic staff complement in 1983-84.

Applying the -0.4% PTR factor to that portion of total salary costs attributable to faculty (55%) and the 1.7% PTR factor to that portion attributable to non-academic staff (45%) results in an estimated net cost increase of 0.5% in 1983-84 for career progress of faculty and staff. This factor has been applied to the total of all salaries and fringe benefits expenditures.

(d) *Cost Reductions due to Efficiency/Rationalization (Column 4)*

As in Advisory Memorandum 82-III: -0.5%.

(e) *Projected Increase in Enrolment (Column 5)*

As in Advisory Memorandum 82-III: +3.0%.

(f) *Funding Stabilization Factor (Column 6)*

As in Advisory Memorandum 82-III: 50% of (e).

(g) *Total Cost of Basic Funding Objectives (Column 7)*

By adding the figures in Column 1 to 6 inclusive, Council's revised estimate of the total cost of basic funding objectives in 1983-84 is \$1,434.8 million, an 8.6% increase over the 1982-83 estimated expenditure base.

II. Estimated Government Grants Required to meet the Basic Funding Objectives

Council's estimate of other income accruing to the university system in 1983-84, in addition to Government grants and tuition fees, remains as in Advisory Memorandum 82-III:

- (1) from other sources, \$56.6 million, the same as the amount projected for 1982-83.
- (2) from fees other than tuition fees, \$14.3 million, the same as the amount projected for 1982-83 adjusted for the projected 3.0% increase in enrolment in 1983-84.

On September 21, 1982 the Premier of Ontario announced 'that as a first initiative within the administered price regulations, tuition fees for colleges and universities will not be allowed to increase by more than five per cent in the next school year.'³ Council therefore, now estimates that formula tuition fees in 1983-84 will be \$239.9 million, a figure derived from the 1982-83 formula tuition fees adjusted for the predicted 3% increase in enrolment in 1983-84 and the 5% increase in tuition fee levels set out in the Premier's statement to the Legislature.

As shown in Table II, Council now estimates that of the total \$1,434.8 million required, \$1,124.0 million must be made available as Government operating grants to meet the costs of Council's basic funding objectives in 1983-84.

The total amount of \$1,124.0 million is a 9.2% increase over the total amount provided for 1982-83 (\$1,029.2 million), but this includes the amount required because of increased enrolment. The present 1982-83 Basic Income Unit (BIU) values are \$3,669 (undergraduate) and \$3,576 (graduate).⁴ The increase in basic funding recommended for 1983-84, with the projected increase in enrolment, would result in BIU values of \$3,908 (undergraduate) and \$3,809 (graduate), an increase of 6.5% in funding per BIU - well below the range of forecasts of inflation in 1983-84. Thus Council's funding recommendation for 1983-84 is very much in keeping with the restraint announced by the Treasurer of Ontario in the budget statement of May 13, 1982 and the inflation restraints contained in the Inflation Restraint Act, 1982.

3. Statement by the Honourable William G. Davis, Premier of Ontario, to the Legislature (September 21, 1982), p. 20.

Table II

**Cost to Government of Meeting Council's Basic Funding Objectives for 1983-84:
Provincially-Assisted Universities, Affiliated Colleges, Ryerson, OISE, OCA and
Dominican College
(\$ million)**

	1,434.8
2. Other Revenue	(56.6)
3. Other Fee Revenue	(14.3)
4. Formula Fee Revenue	(239.9)
5. Cost to Government of Basic Funding Objectives	<u>1,124.0</u>

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

OCUA 82-5A

GOVERNMENT OPERATING GRANTS FOR 1983-84 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES IN FUNDING THE OPERATION OF PROVINCIALY-ASSISTED UNIVERSITIES AND THEIR AFFILIATED COLLEGES, RYERSON POLYTECHNICAL INSTITUTE, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION, THE ONTARIO COLLEGE OF ART AND DOMINICAN COLLEGE

THAT \$1,124.0 million in operating grants be made available in 1983-84 to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.

This recommendation supercedes Recommendation 82-5 in Advisory Memorandum 82-III and has the effect of reducing the original recommendation by \$36.4 million. Recommendation 82-6 in Advisory Memorandum 82-III is superceded by the announced limitation of a 5% increase in tuition fee levels for 1983-84.

Council re-affirms Recommendations 82-7, 82-8 and 82-9, contained in Memorandum 82-III.

Conclusion

It is Council's conviction that the funds recommended above are the minimum required under the inflation restraint program to ensure that quality does not decline further and that the goals of the Ontario university system are met in 1983-84 to the same extent that they are being met in 1982-83.

B. C. Matthews
Chairman
December 20, 1982

82-IV The Ontario Graduate Scholarship Program, 1983-84

In this memorandum Council presents its advice for 1983-84 on the value of the Ontario Graduate Scholarship (OGS) stipend and the number of awards.

Scholarship Eligibility

Council notes that the OGS residency requirement, while consistent with the residency requirement for doctoral fellowships awarded by the Social Sciences and Humanities Research Council (SSHRC), is more restrictive than the requirements for the post-graduate scholarships awarded by the Natural Sciences and Engineering Research Council (NSERC). OGS and SSHRC regulations require that an applicant must be a Canadian citizen or have established landed immigrant status at least one year prior to the deadline for applications, while NSERC regulations stipulate that an applicant only has to be a "permanent resident" as of the cut-off date for applications.

In the OGS competition, "recent" landed immigrants and visa students may apply, but only for a small number of awards which have been specially set aside for them. They are not eligible to compete for the general pool of "open awards". Council adheres to its long-standing position that the:

Ontario Graduate Scholarships be open equally to Canadian citizens and to persons who hold landed immigrant status as of the official annual closing date for applications, it being understood that this provision applies similarly to institutional nominees.¹

Council maintains this position because the present OGS residency requirement effectively excludes some highly qualified landed immigrants simply because they have held landed immigrant status for less than one year. The residency requirement advocated by Council previously is, in Council's judgement, the one that "best serves the principle of equality of opportunity."²

Scholarship Stipend

The Minister announced on April 2, 1982 that the value of the OGS stipend for 1982-83 would increase from the 1981-82 value of \$1,900 per term to a level of \$2,090 per term. This is a 10% increase in the value of the award.

By contrast, the values of the NSERC and SSHRC awards for 1982-83 have been increased by 12.3% and 11% respectively. The 10% increase in the value of the OGS stipend for 1982-83 results in a continuation of the decline which has taken place in recent years in the relative value of the OGS scholarship. For 1982-83, the relative value of an OGS declined further to 59.7% of the value of an NSERC award and 64.5% of the value of a SSHRC award compared to 61.0% and 65.1% respectively in 1981-82. In 1974-75, the OGS was approximately 76% of the value of an NSERC award and 85% of the value of a SSHRC award.

In Table I, Council updates its comparisons of the values of the OGS, NSERC and SSHRC awards since 1974-75 (the first year of the OGS program). Given its continuing concern that the OGS be a prestigious academic award that fosters excellence and that contributes significantly to the support of first-rate students, Council finds these comparisons distressing, especially at a time when there are such attractive alternatives to the pursuit of scholarship at the graduate level.

1. OCUA Recommendations 75-3, 76-2, 77-1, 78-4

2. OCUA *Seventh Annual Report* 1980-81, p. 109.

Table I

COMPARATIVE SCHOLARSHIP STIPENDS

	OGS	NSERC PGS Stipends ¹	SSHRC Stipends (1st & 2nd PhD)
1974-75	\$3,400 ²	\$ 4,500	\$4,000
1975-76	\$3,400 ²	\$ 5,000	\$5,000
1976-77	\$3,750	\$ 5,520	\$5,500
1977-78	\$4,350	\$ 6,000	\$6,000
1978-79	\$4,500	\$ 6,360	\$6,360
1979-80	\$4,800	\$ 8,500	\$7,860
1980-81	\$4,890	\$ 8,500	\$7,860
1981-82	\$5,700	\$ 9,350	\$8,760
1982-83	\$6,270	\$10,500	\$9,720
% increase 1982-83 over 1974-75	84.4	133.3	143.0

1. NSERC post-graduate scholarship (PGS) values are those that were in effect in the Fall of each academic year.

2. Adjusted to take account of the integration of fees into the stipend in 1976-77.

Advisory Memorandum 81-I contained an outline of the effects that inflation, as measured by the Consumer Price Index, has had on the real dollar values of the OGS, NSERC and SSHRC awards. Table II provides an update of this information. It incorporates the actual rate of inflation for 1981-82 and an estimated rate of inflation for 1982-83. The table demonstrates that the 10% increase in the value of the OGS stipend for 1982-83 results in a decrease in the real value of the award over 1981-82. The 1982-83 value of the award in 1974-75 constant dollars is 12.6% below the actual 1974-75 value. By comparison, the real dollar values of the NSERC and SSHRC awards for 1982-83 are, respectively, 10.6% and 15.2% higher than their 1974-75 values.

Table II

COMPARATIVE SCHOLARSHIP STIPENDS
(In Constant Dollars 1974-75 = 100.0)

	OGS	NSERC PGS Stipends	SSHRC Stipends (1st & 2nd PhD)
1974-75	\$3,400	\$4,500	\$4,000
1975-76	\$3,091	\$4,545	\$4,545
1976-77	\$3,191	\$4,698	\$4,681
1977-78	\$3,409	\$4,702	\$4,702
1978-79	\$3,233	\$4,569	\$4,569
1979-80	\$3,158	\$4,605	\$4,441
1980-81	\$2,893	\$5,030	\$4,651
1981-82	\$3,011	\$4,939	\$4,628
1982-83	\$2,972	\$4,976	\$4,607
% change 1982-83 over 1974-75	-12.6	+ 10.6	+ 15.2

In deciding on the appropriate value for the OGS stipend for 1983-84, Council has taken all of the above factors into consideration. As well, Council anticipates that the NSERC and SSHRC award values will increase once again in 1983-84.

Council, in keeping with its long-held view of the OGS as a prestige award, accords the highest priority to maintaining the value of the stipend at an appropriate level. At the very least, the real value of the award should approximate the 1982-83 value. The value of the stipend should, therefore, be increased to \$6,867 for 1983-84. This is an increase of approximately 9.5% over the value of the 1982-83 stipend. Accordingly, Council recommends to the Minister:

OCUA 82-10

ONTARIO GRADUATE SCHOLARSHIP STIPENDS, 1983-84

THAT Ontario Graduate Scholarships carry a minimum stipend of \$6,867, or \$2,289 per term, in 1983-84.

Numbers of Awards

Table III provides an update on the number and distribution of OGS awards, by category, since 1974-75.

Table III

NUMBER OF OGS AWARDS (by category)

	Open	Institutional	Visa/LI	Total
1974-75	850	150	(Quota) ¹	1,000
1975-76	850	150	(Quota) ¹	1,000
1976-77	850	150	(Quota) ¹	1,000
1977-78	850	45	50	945
1978-79	1,150	45	50	1,200
1979-80	1,095	45	60	1,200
1980-81	1,095	45	60	1,200
1981-82	910	40	50	1,000
1982-83	1,095	45	60	1,200

1. Up to 10% of the awards could be allocated to landed immigrants or holders of student visas.

Council is encouraged by the Minister's decision to accept Council's advice for 1982-83 and so restore the number of institutional awards to its 1980-81 level of 45. Council, for reasons first outlined in Advisory Memorandum 76-II, continues to endorse the concept of institutional awards, and for 1983-84 accordingly *recommends to the Minister*:

OCUA 82-11

INSTITUTIONAL AWARDS TO UNIVERSITIES WITHOUT DOCTORAL PROGRAMS

THAT up to 55 scholarships (11 per university) be institutional awards in 1983-84 for universities without doctoral programs.

Starting in 1977-78, a small number of OGS awards have been set aside exclusively for "recent" landed immigrants and persons on student visas. They are ineligible to compete for the general pool of "open" awards. In 1977-78 and 1978-79, 50 awards were made available in this category. In 1979-80 and 1980-81, 60 awards were allocated, but the number was reduced to 50 for 1981-82. Council is pleased that the Minister accepted Council's advice last year and increased the number of awards to 60 for 1982-83.

Council notes that in the report of the chairman of the OGS Selection Board for 1982-83, the question of the appropriate number of awards for "recent" landed immigrants and visa students is raised. The number of visa student applications increased by 36.9% for 1982-83 over 1981-82. In view of the high quality of the applicant pool and the large increase in the number of applications for awards in this category, Council believes that the number of awards should be increased. Accordingly, Council *recommends to the Minister*:

OCUA 82-12

ONTARIO GRADUATE SCHOLARSHIPS TO RECENT LANDED
IMMIGRANTS AND PERSONS ON STUDENT VISAS

THAT up to 70 scholarships be reserved for persons who at the time of application are either student visa holders or have held landed immigrant status for less than one year.

While Council continues to place the highest priority on the real value of the stipend, it notes that the 1,200 awards made available for 1982-83 is the same number as that provided in 1979-80. Yet, the total number of applications has increased by 16% since 1979 and in some individual fields, the increase has been substantially higher. As well, even though some 65-70% of the applicants each year are qualified to receive an award, only about 20-25% actually receive one. The OGS Selection Board urges that 200 more awards (for a total of 1,400) be made available in 1983-84. At a value of \$6,867 per award this will require an increase of 28% over last year in the total amount of funds made available for the OGS program. If that increase cannot be achieved, the number of awards should be scaled down as shown in Table IV so as to maintain the recommended value of the award, i.e. \$6,867.

In view of the above considerations, Council requests that, for 1983-84, the increase in the funding for the Ontario Graduate Scholarship program be within the percentage range displayed in Table IV. Council accordingly *recommends to the Minister:*

OCUA 82-13

NUMBER OF ONTARIO GRADUATE SCHOLARSHIP AWARDS IN
1983-84

THAT, consistent with the priority attached by Council to a 1983-84 stipend value of \$6,867, the number of Ontario Graduate Scholarships available for:

- a) open competition,
- b) institutional awards at universities not having any doctoral programs,
and
- c) visa students and recent landed immigrants

be determined in the manner illustrated in Table IV of this memorandum.

B. C. Matthews
Chairman
June 11, 1982.

Table IV

NUMBER AND COMPOSITION OF OGS AWARDS FOR 1983-84 UNDER ALTERNATIVE FUNDING INCREASES

Percent Increases in Funding for 1983-84 over 1982-83 %	Total Awards Possible at a Stipend of \$2,289 per term ¹ (No.)	Awards Available for Open Competition (No.)	Awards Available for Visa Students and Recent Landed Immigrants (No.)	Insti. Awards for Equal Dist.by Quota among Univ. with no Doctoral Programs (No.)
9.5 ²	1,200	1,095	60	45
10	1,205	1,100	60	45
11	1,216	1,110	61	45
12	1,226	1,120	61	45
13	1,237	1,130	62	45
14	1,247	1,140	62	45
15	1,258	1,150	63	45
16	1,274	1,160	64	50
17	1,284	1,170	64	50
18	1,295	1,180	65	50
19	1,305	1,190	65	50
20	1,316	1,200	66	50
21	1,326	1,210	66	50
22	1,337	1,220	67	50
23	1,347	1,230	67	50
24	1,358	1,240	68	50
25	1,368	1,250	68	50
26	1,379	1,260	69	50
27	1,390	1,270	70	55
28	1,405	1,280	70	55

1. Assuming that there is no change in the mix of the two-term and three-term awards.

2. The recommended stipend of \$6,867 for 1983-84 is approximately 9.5% greater than the stipend for 1982-83. Therefore, the OGS funding for 1983-84 would have to increase by approximately 9.5% to maintain the number of awards at 1,200, assuming that there is no change in the mix of two-term and three-term awards.

82-V Restrictions on University Deficits

On February 18, 1982, the Minister of Colleges and Universities wrote to the Chairman of Council to announce the level of Government's financial support for the university system in 1982-83. The Minister's letter also contained the following reference:

As I said in my letter to the executive heads and board chairmen, institutions must exercise control over their expenditures. They should not allow unmanageable deficits to accumulate. I have warned them that there will be no special government funding to help those that do. We have reached a point where government must consider action both to prevent unmanageable deficits from being incurred and to eliminate them where they now exist. Accordingly, I am asking Council to advise me on the most appropriate legislative method to prevent universities from incurring unmanageable deficits and to eliminate or reduce any that have been incurred.

Thus Council, in this memorandum, provides advice on the matter of university deficits and the potential legislation and/or policies for dealing with such deficits.

Autonomy, Accountability and Academic Freedom

Traditionally, universities have enjoyed a considerable measure of freedom from interference by external bodies in the management of their financial and academic affairs. Each university in Ontario is governed by its own individual Act. Each Act accords the university's governing bodies full and complete authority in financial and academic matters. There are few, if any, other jurisdictions in which publicly-funded universities have autonomy as complete as that which is possessed by universities in Ontario.

Council supports without hesitation the concept of academic freedom. It is essential that universities continue to maintain academic freedom; that they determine who will teach in the university, what will be taught (the content of courses and programs), who will be admitted and who will graduate, and ensure that the members of the university may express opinions on any matter without fear of reprisal. To the extent that the institutional autonomy of a university is necessary to maintain academic freedom, that autonomy must be protected.

At the same time, however, it cannot be argued successfully that institutional autonomy must be absolute, particularly when the major portion of the operating cost comes from the public purse. Financial accountability to the public need not and should not remove the essential autonomy that is necessary to protect academic freedom. As the Committee on the Future Role of Universities in Ontario (CFRUO) has noted:

While...autonomy for the university and the academic freedom it is designed to protect are major conditions for the successful fulfillment of the university's mandate, they are not unlimited, particularly so in the case of universities which receive, as do the universities of this province, the major proportion of their financial resources directly from public funds. When this is the case, the government has a responsibility to ensure that the universities are adequately accountable for the expenditure of these public funds and are efficient in the pursuit of those objectives for which the funding is provided. There is no quarrel with the principle that massive public financial support requires strict accountability.¹

1. Committee on the Future Role of Universities in Ontario, *Preliminary Report*, March 1981, p. 34.

Currently, in Ontario, Government determines the number and nature of the institutions that it will support through grants. It requires that those institutions follow stipulated practices in the reporting of enrolment and financial information and establishes general guidelines on levels of tuition fees. While a university, under its Act, may offer any course or program that it deems desirable, it may not receive grant support from Government, particularly for graduate programs and for undergraduate "professional" programs, without formal Government approval. Thus a measure of financial accountability has been achieved and is now generally accepted as warranted and necessary in view of the massive public financial support provided.

The proposed requirement that no university should incur an "unmanageable" deficit is, in Council's view, a logical and necessary extension of the principle of financial accountability. Council considers the issue important at this time because restricted funding from Government has made it increasingly difficult for universities to balance income and expenditures. Without clearly defined deficit limits, and in the absence of clear projections by Government of its future funding intentions, institutions face growing pressure to resort to deficit budgeting. In fact, some proponents argue that only by running large deficits can an institution convince Government that underfunding is real. Others believe that, when the deficit of an institution becomes large enough, Government will be forced to "bail out" that institution. Furthermore those university governing bodies that do hold the line on deficits continue to be fearful that other governing bodies that do not act similarly will eventually receive special assistance from Government.

While Council is convinced of the need for the implementation of policies and procedures to prevent the incurrence of unmanageable deficits, it recognizes that occasional deficits may be inevitable and not necessarily symptomatic of "bad management". Council believes that any legislative proscription should deal only with significant or chronic deficits, and only in such cases where there is no definitive and realistic plan for their elimination.

The Current Situation in Ontario

As mentioned previously, each university in Ontario operates under its own Act which gives full authority to the appropriate governing body in all financial matters. The Minister or Government has no direct authority to control the financial management of an institution, nor to prohibit or limit deficits. Government could, of course, withdraw or limit its financial support to an institution whose financial behaviour was, in the Minister's view, irresponsible. Such action would not necessarily stop the leak in the sinking ship. Rather, it would shut down its pumps. New legislation is required if the Minister is to impose deficit regulations on the universities notwithstanding the existing university Acts.

Council is certain that Government shares Council's strong conviction that direct intervention by Government in the financial management of any university should be occasioned only when the institution's financial viability is in serious danger, and then only as a last resort. Therefore, in addition to its advice on legislation as requested by the Minister, Council also offers, in this memorandum, advice on policies and procedures that should be followed to assist an institution in re-establishing its financial health without such intervention.

Other Provincial Approaches

Before considering, in specific terms, the restrictions on university deficits which might be applied in the Ontario situation, it is instructive to note the approaches adopted in other provincial jurisdictions.

Six provinces have legislative provisions which prohibit universities from incurring deficits (usually, of any size) unless they first have the permission of either the relevant universities commission or the provincial government. In five cases (British Columbia, Alberta, Saskatchewan, Prince Edward Island and Newfoundland) the restriction appears as a section of the appropriate university act. In Manitoba, it is the Universities

Grants Commission Act which contains the restriction. Section 20 of that Act reads as follows:

Notwithstanding the provisions of any other Act of the Legislature, a university or college shall not incur any liability or make any expenditure in a fiscal year beyond the amount unexpended of the grants made to the university or college by the Universities Grants Commission and the estimated revenue of the university or college from other sources up to the end of and including that fiscal year unless an estimate thereof has been first submitted to and approved by the Universities Grants Commission.²

The other three provinces (Nova Scotia, New Brunswick and Quebec), while they do not restrict university deficits through legislation, do have established policies designed to control deficit financing. The Maritime Provinces Higher Education Commission has a policy that a university cannot run a deficit in excess of 2% of the total value of the operating grant which it receives from the Commission. Quebec, on the other hand, while it formerly had a guideline whereby universities were not to run deficits in excess of 5% of their total operating budgets, has now introduced a new policy requiring all of the institutions to submit plans by which they will balance their budgets by 1984-85. Thus the lack of legislative provisions has not meant an absence of restrictions, except in Ontario.

The relative success of the various approaches adopted in other provincial jurisdictions is difficult to assess, primarily because none exists or operates in isolation from other related policies or circumstances. The Maritime Provinces Higher Education Commission, for example, enforces its 2% policy by refusing to consider capital or program requests from institutions which have failed to reduce their deficits as instructed by the Commission. In British Columbia, on the other hand, the legislative provision is as yet untested (although in place since 1979) because no institution has found it necessary to seek the required approval. A provincial regulation, known as the "Minister's No-Commitment Funding Edict", requires the British Columbia institutions to "cover-off" faculty salary increments and all new appointments when budgeting for the next fiscal year - thus creating a "buffer" of surplus funds.

In Quebec, the effectiveness of the original 5% guideline appears to have been undermined by province-wide bargaining on faculty salaries coupled with restricted university funding. The current policy, however, also faces some difficulties. The original deadline for the submission of the institutional plans was September 1, 1981 but by that time none had been submitted and since then only three have been received by the Quebec Ministry.

It should be noted that there are considerable differences in the structure, complexity and circumstances of the various provincial university systems. Of the six provinces with legislated deficit restrictions, for example, two (Newfoundland and Prince Edward Island) have only one university and none has more than five. Some jurisdictions have province-wide bargaining arrangements for faculty salaries while others do not. The various university councils or commissions, where they exist at all, have varying degrees of executive authority in diverse policy areas. Finally, the relative level of funding experienced by the different provincial systems has, to some extent, affected the type of deficit restrictions established and the ways in which they have been applied.

It is apparent, therefore, that the other provincial jurisdictions have adopted certain legislative or policy restrictions which may be appropriate to their individual situations but which cannot be effectively applied, without significant amendment, in a jurisdiction which exhibits different characteristics.

An Approach for Ontario

In general, the restrictions on deficits of universities in other provinces are applied to the

2. SM 1976, Chapter 69, Section 46.

annual operating, as distinct from the accumulated, deficit. Council believes that the incurrence of a deficit in any one year may be not only acceptable but may in fact be a prudent step to take in a given set of circumstances. The difficulties arise if and when deficits accumulate to an excessive level. In fact, virtually every institution in Ontario has run a current year operating deficit at one time or another during the past five years. Yet many of those institutions are not in financial difficulty. Therefore, Council favours a policy which allows for annual operating deficits and a cumulative deficit, up to a specified level, to be incurred without external review.

In general terms, the approach which Council envisages may be described as a four-part sequential process. The steps involved would constitute the following:

1. *The Identification Stage*

The first step would be the identification of those institutions which are at or have exceeded a pre-selected "trigger point".

2. *The Evaluation Stage*

The second step would consist of a procedure whereby the financial positions of the institutions identified under 1. above would be examined and evaluated by an external body.

3. *The Adjustment Stage*

The third step would provide those institutions which, as a result of 2. above, were deemed to be in an unacceptable financial situation an opportunity to develop plans to adjust their pattern of expenditures and income such that their accumulated deficits would be eliminated within a specified period of time.

4. *The Intervention Stage*

The fourth step would consist of direct Government intervention in the financial affairs of those institutions (if any) which failed to prepare and/or implement an acceptable financial plan, under 3. above.

Council recognizes the serious definitional and procedural problems which are likely to be encountered in applying the process outlined above. Further, it is to be expected that unforeseen difficulties will arise during the initial implementation period for any new set of policies and procedures and thus some flexibility must be built in and adaptation expected. In the sections immediately following, therefore, Council presents some specific details concerning the four parts of the process in order to delineate, in a more practical way, the ramifications of each.

The Identification Stage

In terms of this initial step, the first consideration involves the determination of the appropriate items to be included when defining institutional deficits.

Normally, university accounts are maintained in terms of General and Restricted funds. General funds include:

- a) The Operating Fund, which is derived from grants, tuition and other fees, and other income from investments, sale of services, disposables, etc.,
- b) The Other (Non-Credit) Fund, which is derived from fees, etc. received for non-credit courses and programs, and
- c) Funds derived from Ancillary Enterprises such as student residences, bookstores, parking, etc.

While deficits may be incurred in any (or all) of these three areas, ancillary enterprises are usually operated on a break-even basis, charges for services being adjusted by the institution to cover costs of providing the services. By current regulation, Government operating grant funds may not be used to cover deficits in ancillary enterprises. Other (non-credit) income is insignificant in most institutions.

Restricted funds include Sponsored Research, Trust and Endowment, and Capital. Accumulation of deficits in Sponsored Research and Trust and Endowment are not likely because they are received by the institution for specific purposes. Deficits may be incurred on Capital Fund accounts, for example, by making commitments in excess of available funds for construction projects. However, the carrying charges and principal repayments would be reflected in Operating Fund accounts or may be derived from other funds such as private donations.

Thus Council believes that the condition of the Operating Fund is an appropriate and practical indicator of the financial health of an institution. The Operating Fund of each university:

... accounts for the costs of instruction, academic support services, administrative plant maintenance and other operating expenses of the university financed by fees, grants and other general income.³

There are two readily available sources of information on the Operating Fund of each university. One is the annual audited financial statement; the other is an annual report of the Committee of Finance Officers - Universities of Ontario (COFO-UO) entitled *Revenue and Expenses of Ontario Universities*.

The individual audited financial statements have significant differences among them in the accounting policies and practices applied. Thus, for a given institution, if no changes in accounting practices are made from year to year (and there are often such changes), valid comparisons can be made from year to year. However, comparisons among institutions are difficult. For similar reasons, the method of calculating the deficit on operating funds varies from institution to institution due to the inclusion or non-inclusion of various expenditure and income items.

The COFO-UO annual reports, on the other hand, present the financial situations of the institutions in a more consistent manner. Although this report is the most comparably-presented source of information available, it does carry the following caveat:

Certain of the summary data in this Report are subject to interpretation or clarification because of inherent differences among institutions in academic programmes, organization, physical environment, management philosophy and budgeting and accounting procedures.⁴

Nevertheless, for present purposes, the data presented in the COFO-UO report may be considered both suitable and adequate.

Thus Council suggests that an institution's accumulated deficit (if any) on the Operating Fund, after appropriations, be used as "the deficit" for the purpose of determining whether the institution's financial condition is acceptable. This figure, as of April 30th of any year, is reported in Volume III ("Operating Fund: Net Change in Appropriated Reserves and Unappropriated Funds") of the COFO-UO report for each institution under the heading "Balance, end of Year" for all unappropriated funds.

Having identified a deficit as above, it is then necessary to establish the level of deficit that should be used as a "trigger point". As mentioned previously, it is Council's view that some accumulated deficit should be allowed without causing any questioning of the institution. On the other hand, Council recognizes that the identification of a deficit before it becomes unmanageable is desirable to allow easier and more effective remedial action. It should be borne in mind also that the COFO-UO report does not become available until November, more than six months after the fiscal year end. Furthermore, the action proposed to follow immediately (described below) is not drastic.

Council therefore suggests that when an institution's accumulated deficit (as reported by COFO-UO) on April 30th reaches or exceeds 2% of total Operating Fund

3. Committee of Finance Officers—Universities of Ontario, *Revenue and Expenses of Ontario Universities 1980-81*, Vol. I, p. 10.

4. *Ibid.*, p. v.

revenue for the same year, then that institution should be considered under the second step in the process (i.e., the appearance of such a deficit would cause the Evaluation Stage to begin). Total operating revenue would be as reported in Volume I ("Universities") of the COFO-UO report under Table 2 ("Actual Revenue by Source and Type of Fund") for each institution under the heading "Total Revenue" for the Operating Fund.

The effect of the application of the definitions outlined above, using the COFO-UO reports for the 1980-81 fiscal year, is shown in Appendix A.

It should be noted that the COFO-UO report differentiates between, and presents data separately on, the "universities and related institutions which receive operating grants directly from the government of Ontario" (Volume I) and those "affiliated and federated colleges" (Volume II) which do not.⁵ The exact nature of the relationship between an affiliated or federated college and its parent institution varies from case to case, but is usually marked by a significant degree of financial autonomy and some form of direct religious denominational affiliation. In Council's view, therefore, it would seem appropriate to restrict the application of the policies and procedures outlined in this memorandum to the 21 institutions listed in Volume I of the COFO-UO report.

The Evaluation Stage

When an institution, on the basis of the COFO-UO data, reaches a deficit position as defined above, Council would consult with representatives of that institution to determine whether:

- a) the COFO-UO data for the institution are accurate,
- b) the institution has funds not reported by COFO-UO in its reporting of the deficit for that institution but which could be used by the appropriate governing body to remove the reported deficit,
- c) the institution has other financial obligations not reported by COFO-UO, and
- d) the institution does indeed have a deficit that is potentially unmanageable in the sense that the institution has no realistic plans for its short-term elimination.

When this process has been completed, Council would, by way of an advisory memorandum, report to the Minister on the situation of each university that had been identified as having a potentially unmanageable deficit.

In its memorandum, Council will report on all of the institutions identified under the first stage of the process. The situation at each institution will be identified in terms of the following:

Category A

Those institutions which have demonstrated to Council's satisfaction that they either do not in fact have an accumulated deficit or have one which is manageable in the sense that there is a practical plan (or realistic expectation) for its elimination within a reasonable period of time.

Category B

Those institutions which, in Council's opinion, have an accumulated deficit of such magnitude that it constitutes an imminent threat to the institutions' financial viability.

For institutions listed under Category A, Council would report that no further action was deemed necessary. For institutions listed under Category B, Council would initiate the third step in the process, the Adjustment Stage.

5. *Ibid.*, p. iii.

The Adjustment Stage

Each institution listed under Category B would be requested to submit, to Council, a detailed financial plan which would show how the institution intends to effect the measures necessary to balance its annual operating budget and eliminate its accumulated deficit. The request would specify any items or conditions to be included in the plan, the time-frame which should apply and the date by which the plan must be submitted. All of the details connected with the request would be outlined in the advisory memorandum noted above.

The institution would be expected to submit, by the stipulated date, an internally-approved financial plan responding to Council's request which outlined:

- a) all proposed adjustments to income and expenditures,
- b) the assumptions used in projecting future income and expenditure levels,
- c) the perceived impact of the proposed adjustments on the current range and level of institutional activity, and
- d) such other comments or conditions which the institution might deem appropriate.

Upon receipt of such a plan from an institution, Council will evaluate the details of the plan. If Council considers the plan to be reasonable and realistic, it will so inform the Minister. The institution would thereafter be expected to report to Council, at least annually, concerning the progress achieved in implementing the plan and/or any required amendments to the plan arising out of changed circumstances.

It is Council's expectation that the stages outlined above will be sufficient, in most instances, to ensure that unmanageable deficits are not incurred or will be eliminated if they now exist. At the same time, Council considers it prudent to anticipate the possibility that direct intervention by Government in the operation of an institution may be necessary to ensure the financial viability of that institution. Such intervention would be deemed necessary if:

- a) an institution refuses, or is unable, to prepare and submit a detailed financial plan when requested to do so by Council, or
- b) an institution is unable to submit a detailed financial plan that Council considers to be reasonable and realistic, or
- c) an institution fails to implement such a financial plan.

The Intervention Stage

Given any of the circumstances noted above, Council will recommend, by way of an advisory memorandum, that "primary intervention" occur. This would consist, in the first instance, of the appointment of an Investigator by the Minister to investigate and report on the financial situation of an institution. Government may then, as a result of the Investigator's report, appoint a Supervisor who would have the power, with regard to all decisions affecting the financial situation of the institution, to:

- a) advise and guide the appropriate governing body and the executive head,
- b) validate all of their decisions, and
- c) if necessary, overrule their decisions or act in their stead.

Council has considered whether provision should be made, at this time, to allow for "secondary intervention" – in other words, to provide for the possibility that the Supervisor will fail to achieve the required result. Such intervention could consist of legislation which would do any one, or more, of a number of things, including:

- a) the closing of an institution through the repeal of its Act,
- b) the suspension of the governing bodies, the executive head and/or other officers of the institution and the appointment of a Trustee or Board of Trustees to manage the institution, and

- c) the rescission of all collective agreements, tenure and other employee contractual arrangements.

On March 24, 1982, the Chairman of Council wrote to the Minister to suggest that Council did not deem itself competent to advise on the details of secondary intervention. The Minister responded, in a letter dated April 14, 1982, by noting that:

... the Ministry will have to consult other Ministries, such as the Attorney General and Labour before we could introduce legislation with such far-reaching implications. I do not expect Council to consult these bodies on our behalf and certainly do not expect you to propose the text of such legislative provisions.

Thus Council, while recognizing that such legislation may be required in extreme cases, has no detailed advice to render on its content.

Council's only advice, with respect to secondary intervention, is that it not be based on general enabling legislation. Council suggests that legislation to accomplish secondary intervention should be implemented only on a case-by-case basis. The enormous range of possible situations which may arise would likely mean that general legislative provisions would either be too all-encompassing (and thus open to misinterpretation) or too restricted (and thus requiring further amendment). Legislation specific to each case would be more appropriate and effective.

Legislation to Implement Deficit Restrictions

It is Council's understanding that certain legislative provisions would be required in order to implement the kind of deficit restriction process outlined above. In particular, to permit primary intervention an Act would be needed to allow for the appointment of an investigator and a supervisor and the overriding of a specific university's Act insofar as the latter now gives full authority to the appropriate governing body to manage the financial affairs of the institution. Such legislation should not, however, override any other Acts, agreements or policies as they may affect the institution. Further, the appointment of a Supervisor should continue only until such time as the accumulated deficit has been eliminated, or at least until a viable plan for its elimination is in place. Suggestions for legislation to govern primary intervention are provided in Appendix B. Based on all of the above, Council *recommends to the Minister:*

OCUA 82-14

RESTRICTIONS ON UNIVERSITY DEFICITS

THAT, in accordance with the considerations noted in this memorandum, the appropriate legislation, regulations and guidelines necessary to restrict the incurrence of deficits by the provincially-assisted universities, Algoma University College, College Universitaire de Hearst, Nipissing University College, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education and the Ontario College of Art, be established and implemented.

B. C. Matthews
Chairman
June 25, 1982

Appendix A

SURPLUS/DEFICIT SITUATIONS AS OF APRIL 30, 1981(As Reported in COFO-UO, *Revenue and Expenses of Ontario Universities 1980-81*)

A. B. Cumulative Total

	A. Cumulative Surplus/(Deficit) (\$000s)	B. Total Operating Income (\$000s)	A. as a % of B.
Brock	(440)	17,420	(2.5)
Carleton	(1,180)	53,118	(2.2)
Guelph	596	63,919	0.9
Lakehead	(241)	17,913	(1.3)
Laurentian	(1,357)	17,832	(7.6)
Algoma	(258)	1,898	(13.6)
Nipissing	416	2,679	15.5
Hearst	(78)	591	(13.2)
McMaster	704	70,610	1.0
Ottawa	415	83,548	0.5
Queen's	(384)	70,747	(0.5)
Toronto	1,064	232,100	0.5
Trent	(1,200)	12,113	(9.9)
Waterloo	2,300	78,051	2.9
Western	1,947	100,767	1.9
Wilfrid Laurier	269	21,161	1.3
Windsor	664	46,109	1.4
York	(1,875)	83,822	(2.2)
Ryerson	(1,728)	45,622	(3.8)
OISE	141	16,454	0.9
OCA	545	6,652	8.2
Total	320	1,043,126	0.03

Appendix B

SUGGESTIONS FOR LEGISLATION TO PROVIDE FOR PRIMARY INTERVENTION

1. The Minister may, at the request of the Ontario Council on University Affairs, investigate the financial status and prospects of any university that may have accumulated a deficit beyond the level specified in the regulations under this Act.
2. No person shall obstruct an Investigator or withhold or destroy, conceal or refuse to furnish any information or thing required by the Investigator for the purpose of the investigation.
3. The Minister on receipt of the report from the Investigator shall cause a copy to be delivered to the Chairman of the appropriate governing body of the university.
4. The Lieutenant-Governor in Council may appoint a Supervisor for a university where, having regard to the content of the report of the investigation under 3 above as to the financial circumstances of the institution, the Lieutenant-Governor in Council is of the opinion that the appointment is in the best interests of the public.
5. The Lieutenant-Governor in Council shall not make an appointment under 4 above sooner than thirty days after submission of the report of the investigation to the Lieutenant-Governor in Council.
6. The appointment of a Supervisor is valid until terminated by order of the Lieutenant-Governor in Council.
7. A Supervisor shall give advice and guidance to the governing bodies and the executive head of the University for the purpose of balancing the annual operating budget and eliminating the accumulated deficit.
8. It is the duty of the governing bodies and executive head to receive and consider the advice and guidance of the Supervisor in any matter affecting the financial situation of the institution.
9. Where a Supervisor requests in writing that the governing bodies or the executive head do any act they have the authority to do in the opinion of the Supervisor, and they fail to do so, the Supervisor may do the act on behalf of the governing body or executive head and the act is as effective as if done by the governing body or the executive head as the case may be.
10. During the term of office of the Supervisor no act of a governing body or executive head affecting the financial situation of the institution is valid unless approved in writing by the Supervisor.
11. A Supervisor has the same rights as the governing bodies and executive head in respect to documents, records and information of the governing bodies and of the institution.
12. A Supervisor may report to the Minister from time to time and shall report to the Minister in such form and manner, with such information and at such times as the Minister may require.

82-VI Graduate Program Funding - Social Demography (PhD), University of Western Ontario; Art History (MA), Queen's University; Geology (MSc), Lakehead University

In 1980, the Council of Ontario Universities (COU) recommended to Council six graduate programs that had satisfied Council's funding criteria for new graduate programs. In Advisory Memorandum 80-V, Council recommended against funding approval for the programs on the grounds that COU had declined to comment on certain other Council requirements for program funding. As outlined in Advisory Memorandum 82-I, Council subsequently referred the six programs, plus the University of Guelph's doctoral program in Veterinary Science, to Council's new Academic Advisory Committee. The Committee was asked by Council to advise on whether the programs did in fact meet Council's funding criteria, and on whether they were consistent with the aims, objectives and existing strengths of each institution. In Advisory Memorandum 82-I, Council advised the Minister on three of the seven programs.

Council has now considered the advice of its Academic Advisory Committee¹ respecting the following three new graduate programs:

1. Social Demography (PhD): University of Western Ontario
2. Art History (MA): Queen's University
3. Geology (MSc): Lakehead University

Social Demography (PhD), University of Western Ontario

The University of Western Ontario's PhD program in Social Demography meets all of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII), and is consistent with the aims, objectives and existing strengths of the University. Council has carefully examined all of the financial implications related to formula funding of this program, and concludes that even in a time of economic constraint it should be deemed eligible for Government funding.

Accordingly, Council *recommends to the Minister*:

OCUA 82-14A

FUNDING FOR THE DOCTORAL PROGRAM IN SOCIAL DEMOGRAPHY AT THE UNIVERSITY OF WESTERN ONTARIO FOR 1982-83

THAT the PhD program in Social Demography at the University of Western Ontario be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1980-81 on, be included in the moving average for the university.

Art History (MA), Queen's University

The MA program in Art History at Queen's University meets a student demand in this area and fills demonstrable job market needs. It is consistent with the aims, objectives and existing strengths of the institution. Council feels that even in a time of economic constraint it can justify recommending the program for formula funding support.

Accordingly, Council *recommends to the Minister*:

1. See attached appendices.

OCUA 82-15

**FUNDING FOR THE MASTER'S PROGRAM IN ART HISTORY AT
QUEEN'S UNIVERSITY FOR 1982-83**

THAT the MA program in Art History at Queen's University be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1980-81 on, be included in the moving average for the university.

Geology (MSc), Lakehead University

Lakehead University's MSc program in geology does appear to meet a student demand in Northwestern Ontario for this type of program. It also fills demonstrable job market needs. Council notes that, within Ontario, there are ten other master's programs in geology being offered and funded. In the case of the Lakehead program, however, Council believes that there are exceptional circumstances relating to regional importance, student demand and institutional appropriateness. An examination of these circumstances has convinced Council that the program should be funded.

The University's location within a rich and varied geological landscape in Northwestern Ontario and the importance and availability of many geology-oriented occupations within the area, provide exceptional regional circumstances for funding². Council also believes that the program is consistent with the aims, objectives and existing strengths of the institution. For instance, Lakehead has a strong and vibrant undergraduate program in geology.

As mentioned, Council is prepared to recommend that Lakehead's new Master's program in geology be eligible for formula funding. At the same time, in light of Council's continuing commitment to the concept of institutional role differentiation, Council feels that it is proper to raise some questions about what should be the appropriate array of graduate offerings for a particular institution. Council, in the case of the master's program in geology, has decided to give considerable weight to Lakehead's argument for unique regional circumstances and institutional appropriateness. Council, therefore, supports the provision of formula funding for this program, but believes that it is only proper to do so, given the reality of general economic constraint, on the understanding that Lakehead University will prepare a comprehensive planning report on its graduate program offerings and submit it to Council. This report should take into consideration such matters as institutional appropriateness and role differentiation, the funding of graduate programs in an era of general economic constraint, and the needs of Northwestern Ontario. Until an acceptable report is received, Council will not recommend for funding any additional new graduate programs at Lakehead University.

Accordingly, Council *recommends to the Minister:*

OCUA 82-16

**FUNDING FOR THE MASTER'S PROGRAM IN GEOLOGY AT
LAKEHEAD UNIVERSITY**

THAT the MSc program in Geology at Lakehead University be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1980-81 on, be included in the moving average for the university.

B. C. Matthews
Chairman
August 13, 1982.

2. See Council's funding criterion #2, Ontario Council on University Affairs, *Fourth Annual Report*, 1977-78, p. 58.

OCUA ACADEMIC ADVISORY COMMITTEE
Doctoral Program in Social Demography (PhD) University of Western
Ontario-New Graduate Program Considered for Formula Funding

The 1980 Annual Report to Council from the Ontario Council on Graduate Studies (OCGS), an affiliate of the Council of Ontario Universities (COU), advised that the University of Western Ontario's doctoral program in Social Demography met Council's four funding criteria for new graduate programs. As Council's requirements concerning the questions of institutional appropriateness and the funding of new programs in a time of economic constraint had not been met, it recommended against formula funding for the program (Advisory Memorandum 80-V). Council subsequently referred the program to its Academic Advisory Committee.

The Academic Advisory Committee met on four occasions, and considered the program in light of Council's funding criteria (Advisory Memorandum 77-VII), and examined the question of whether the program was consistent with the "aims, objectives and existing strengths" of the University.

The Committee reviewed various documents relating to the program including:

- the OCGS Annual Report to OCUA, 1980
- OCUA Advisory Memorandum 80-V
- OCUA Advisory Memorandum 81-VII
- Calendar description of the program
- COU's annual compilation of graduate program macro-indicators
- ACAP's 1974 Discipline Assessment of Sociology
- Enrolment statistics,

and carefully applied each of Council's funding requirements. The Committee's finding's with regard to the program are summarized below:

1. NEED

The committee is satisfied that there will be a small and perhaps increasing need for graduates of a doctoral program in Social Demography, especially one that, in a multi-disciplinary environment, combines the technical aspects of demography with an understanding of the social, economic, political and geographic character of Canada.

Specialized demographic skills are in demand in the public and private sectors, both provincially and nationally. This subject matter is thought to be particularly important in Canada because of the substantial size of the post-war "baby boom", 1947-62. The demographic aspect of this "baby boom" has been seen to be enormous with respect to our health-care sector and sequentially with respect to the several components of the education sector. Current problems in finding enough jobs for young people and in providing enough housing for them, to take but two examples, are not unrelated to the size of the "baby boom". As the several cohorts of population born during the period 1947-1962, now aged 20 to 35 years, slowly become older, various sectors of economic, social and political activity will undoubtedly be as severely stressed as were the health and education sectors in the 1960's and 1970's, respectively. Well-trained demographers will help Ontario society plan effectively for the ongoing impact of this and other demographic characteristics of our population. They will assist in sorting out the effects of various public policies as provincial and national objectives are significantly affected by the demographics of the Canadian population.

2. UNIQUENESS

While the five doctoral programs in Sociology in Ontario all offer some course work in demography, the Committee is satisfied that none of these offers the degree of emphasis present in the University of Western Ontario's program. Half the course work and two of the four comprehensive exams required for the degree are in demography.

In addition, other universities recommend the program to students wishing to study demography at an advanced level. The Committee believes that no similar program in the field is available in Ontario.

3. APPRAISAL

The Committee is satisfied that the program has passed a rigorous appraisal and that no improvements were required at the time of appraisal.

4. ENROLMENT

In the current year, eight full-time students and one part-time student are registered in the program. Council's enrolment criterion has, therefore, been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS

The University of Western Ontario's department of Sociology, has impressive strengths in demography. The University is also the site of the Population Studies Centre, formerly the Demography Laboratory, which is a centre for research in demography. The Sociology department has been able to attract substantial research grants from external sources, such as Statistics Canada. The Committee is satisfied that this new program is consistent with the aims, objectives and existing strengths of the University of Western Ontario.

6. FUNDING

The Committee, therefore, recommends that:

The University of Western Ontario's PhD program in Social Demography, having satisfied all of Council's funding criteria and other requirements for new graduate programs, be recommended to the Minister as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

May 18, 1982

OCUA ACADEMIC ADVISORY COMMITTEE

Master of Arts in Art History (MA), Queen's University – New Graduate Program Considered for Formula Funding

The 1980 Annual Report to Council from the Ontario Council on Graduate Studies (OCGS), an affiliate of the Council of Ontario Universities (COU), advised that the new MA program in Art History at Queen's University had satisfied Council's funding criteria for new graduate programs. COU declined, however, to comment on questions of institutional appropriateness and the funding by Government of such a program in a time of general economic constraint. Council, therefore, felt that it had no choice but to recommend against funding for the program in 1981-82 (Advisory Memorandum 80-V). Subsequently, in January 1982, the program was referred to Council's new Academic Advisory Committee.

The Academic Advisory Committee considered the new program in Art History on three separate occasions. In accordance with its "Terms of Reference", the Committee examined the program in light of Council's four funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of institutional appropriateness. The Committee reviewed several documents relating to the program, including:

- the OCGS Annual Report to OCUA, 1980
- OCUA Advisory Memorandum 80-V
- Calendar descriptions of the Art History programs at Queen's, Toronto and York
- enrolment and application statistics for the Queen's and Toronto Art History programs
- COU's Advisory Committee on Academic Planning's (ACAP) 1976 Discipline Assessment of Fine Art programs
- material from Queen's and Toronto, relating to professors, student thesis topics, course enrolments,

and carefully applied each of Council's four funding requirements. The Committee's findings are summarized below:

1. NEED

In its 1976 Discipline Assessment of Fine Arts, ACAP identified an urgent need in Ontario for a new master's program in Art History "capable of accommodating at least twelve to fifteen students per year"¹. It reached this conclusion after examining statistics on applications, offers of admission and enrolments for the University of Toronto program in the History of Art. The figures showed that the University of Toronto was able to make only about thirty offers of admission. The situation is still the same today and a small number of qualified applicants still have to be turned away due to resource limitations.

The ACAP Assessment Report recommended that: "A master's program in art history which emphasizes Canadian and contemporary art be developed and initiated subject to favourable appraisal"². This recommendation arose out of a "job market" survey, which showed that there was an "unfilled need for trained personnel, particularly in Contemporary and Canadian Art"³. The Committee is satisfied that this need still exists today on both a provincial and national level.

1. ACAP 1976 Fine Arts Discipline Assessment, p. D-4.

2. *Ibid.*, p.5

3. *Ibid.*, p. D-4

2. UNIQUENESS

The Committee is satisfied that there is sufficient emphasis on Canadian Art in the Queen's University program to warrant it being termed "unique". Of the ten students enrolled in the program in 1981-82, six have chosen thesis topics in the Canadian Art area.

3. APPRAISAL

The Committee is satisfied that the program has passed a rigorous appraisal and at the time of appraisal was not found to require improvements.

4. ENROLMENT

Queen's University has certified that admissions to the program commenced prior to its being proposed for funding consideration. Council's enrolment criterion has, therefore, been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS

The Committee believes that the MA program in Art History is consistent with the aims and objectives of Queen's University. The Committee also believes that the university has made a serious effort to strengthen its resources in the area of Canadian Art and that it will continue this effort.

6. FUNDING

The Committee, therefore, recommends to Council that:

the MA program in Art History at Queen's University, having satisfied Council's funding criteria and other requirements for new graduate programs, be recommended to the Minister for formula funding support.

ACADEMIC ADVISORY COMMITTEE

May 18, 1982.

OCUA ACADEMIC ADVISORY COMMITTEE
Master of Science in Geology (MSc), Lakehead University New Graduate
Program Considered for Formula Funding

The 1980 Annual Report to Council from the Ontario Council on Graduate Studies (OCGS), an affiliate of the Council of Ontario Universities (COU), advised that Lakehead University's MSc program in Geology had satisfied Council's funding criteria for new programs. COU declined, however, to comment on the questions of the appropriateness of the program being offered at Lakehead and whether or not the program should be funded in a time of general economic constraint. Council, therefore, recommended against formula funding for the program for 1981-82 (Advisory Memorandum 80-V), but subsequently decided to refer the program to Council's Academic Advisory Committee.

The Academic Advisory Committee discussed Lakehead University's new graduate program in Geology on four separate occasions. In accordance with its "Terms of Reference", the Committee examined the program in light of Council's four funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of institutional appropriateness. The Committee reviewed various documents relating to the program including:

- the OCGS Annual Report to OCUA, 1980
- OCUA Advisory Memorandum 80-V
- Calendar descriptions of the geology programs at Lakehead, Laurentian, Carleton, Ottawa
- *Geosciences in Canada, 1979, Part 1: Geology and Geophysics in Canadian Universities* by E.R.W. Neale and J. E. Armstrong for the Canadian Geoscience Council
- Enrolment statistics for graduate geology programs at Lakehead, Laurentian, Carleton and Ottawa
- COU's Advisory Committee on Academic Planning's 1973 Discipline Assessment of Solid Earth Science programs in Ontario,

and carefully applied each of Council's funding requirements. The Committee's findings are summarized below:

1. NEED

The Committee decided that there is a need for trained geologists in Ontario and throughout Canada. The Committee then considered whether or not another master's program in geology was needed in Ontario. Currently, including the program at Lakehead University, eleven institutions offer master's programs in geology. The Committee believes that the need for geology programs in Ontario is already well-served by the currently funded programs in the province.

2. UNIQUENESS

The two principal aspects of "uniqueness" considered by the Committee were the content of the program and the location of the institution.

As mentioned previously, ten other universities in Ontario offer master's programs in geology. Several of these, including Laurentian University, Carleton University, and the University of Ottawa, have particular strength in Pre-cambrian geology, an area which Lakehead University has emphasized in its curriculum. The Lakehead program does not appear to have an emphasis significantly different from other programs.

Before the introduction of the MSc program, students graduating from Lakehead University with undergraduate honours degrees in geology had no apparent difficulty in finding either employment in geology-oriented areas or opportunities for graduate study elsewhere. Since the program's inception, there have been 30 formal applica-

tions, 17 offers of admission and 14 registrants (1978-79 to 1981-82). Of the 14 registrants, 7 came from Thunder Bay¹ and so far 3 of them have graduated from the program. These application and enrolment statistics do not provide convincing evidence of strong regional demand for the program. The Committee's view is that the program is not of exceptional regional importance.

The Committee, therefore, concludes that the master's program in geology at Lakehead University does not meet Council's funding criterion with regard to uniqueness.

3. FUNDING

Having found that the MSc program in Geology at Lakehead University does not meet two of Council's funding criteria-need and uniqueness-the Committee recommends to Council that:

the MSc program in Geology at Lakehead University, having not fully met Council's funding criteria and other requirements for new graduate programs, should not be recommended to the Minister as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

June 8, 1982

1. i.e., graduated from a secondary school in Thunder Bay.

82-VII Undergraduate Program Approvals

On November 2, 1981, the Minister of Colleges and Universities announced, in a letter to the executive heads of the institutions and organizations concerned, the temporary suspension of "current policy regarding the funding of new undergraduate programs until the response to the report of the Committee on the Future Role of Universities has been issued".

The purpose of this memorandum is to: (1) identify the programs that should continue to require formal approval by the Minister for funding (and those that need not), and (2) describe the processes and criteria that Council should apply in assessing specific program proposals, where required. Council is proposing that: professional programs continue to require funding approval; "quasi-professional" and "special" programs require specific funding approval; and "core" Arts and Science programs be funded automatically at the appropriate formula weight. In light of this proposal, Council believes that the Minister should terminate the present "freeze" arrangement.

Prior to November 2, 1981, institutions had been free to establish new undergraduate programs and have them funded automatically, with certain exceptions: (1) new professional programs; (2) new health sciences programs; (3) new Ryerson and Ontario College of Art programs; (4) new programs requiring extra-formula support; and (5) new programs which did not have a formula weight assigned and which required a formula weight above 1.0 (unless they were included in an existing weight category above 1.0). Under the terms of the Minister's announcement of November 2, 1981, however, Council's positive recommendation was now required before any new undergraduate program could become eligible for formula funding support.

The Minister's announcement, which became known as the undergraduate program "freeze", applied to all new undergraduate programs - any programs not offered as of November 2, 1981 or in which there were no students enrolled as of November 2, 1981. The only exemptions from the "freeze" were to be programs adjudged to be in areas of critical manpower demand, or where, because of exceptional circumstances, it did not appear feasible to hold up the introduction of a program.

Following the Minister's announcement, Council proceeded as follows:

- 1) Programs in any of the five categories listed above were handled through the procedures already in place for approval of such programs.
- 2) New programs and program changes, which had previously not required approval for funding, were scrutinized by Council. Specifically, approval was required for: all new program proposals; any repackaging of existing courses under a new name; and any change in a program's name which at the same time involved the addition of a course. Council established an exemption criterion, in addition to the Minister's, that had to be met. The additional criterion involved a judgement as to whether a new program significantly broadened the institution's existing base of program offerings. Council delegated authority to the Chairman of Council to recommend exemptions from the "freeze". Difficult cases were to be referred to Council as a whole and all decisions would be forwarded to Council for information.
- 3) In order to obtain approval under the "freeze", programs at Ryerson had to continue to satisfy the existing funding approval procedures as set out in Advisory Memorandum 78-IV, and as well were subject to the procedures described above.

As of this date, twelve institutions have submitted 108 proposals for new programs and/or program changes. The vast majority of these proposals have not been what could be termed "new" programs. They generally did not involve a broadening of an institution's existing base of program offerings. As a result, Council has recommended exemptions in 94 cases. The other fourteen programs are still under review. The amount of paperwork and staff-time involved on the part of both the institutions and the Council has been considerable.

Council notes that the Minister advised on November 2, 1981 that the "freeze" would continue until Government issued a response to the Report of the Committee on the Future Role of Universities in Ontario. This response had been expected "early in the new year (1982)".¹ In fact, in responding to the proposal for the "undergraduate freeze", the Chairman of Council advised the Minister that:

In view of the current uncertainty about the future of the system, Council has no objection to the imposition of a short-term funding freeze on new undergraduate programs. We would view such action as a temporary measure pending the Government's response to the recommendations made by the Committee on the Future Role of Universities in Ontario. On the latter subject, Council has asked me to reiterate our feeling that the Government should respond as quickly as possible to the C.F.R.U.O. recommendations.²

It now appears that this response will be further delayed. Council remains concerned, however, about the continuing need for some specific approval mechanism for "quasi-professional" and "special" programs (see Section III).

I. Undergraduate Professional Programs

On August 1, 1974, the Minister of Colleges and Universities stated in a letter to Council that: "The Ministry will only approve funding of a new professional program after OCUA recommends the program". This marked the beginning of Council's involvement with undergraduate professional programs. Council commented on these programs in *The Ontario University System: A Statement of Issues*, as follows:

Undergraduate professional programs are expensive to operate. The applied training received by students in professional programs naturally tends to foster the expectation that graduates from these programs will find employment in their fields. It is, therefore, in the public interest for Council to expect COU and the individual institutions to monitor developments in this area as they affect the university, the professions and the student.³

Given the above considerations, Council's involvement in this area is appropriate and desirable.

In fulfilling its responsibility to advise the Minister on the funding of new undergraduate professional programs, Council has consulted closely with the Council of Ontario Universities (COU) and with the professions and institutions directly involved. While specific criteria, which must be satisfied before funding is recommended, have not been formulated (as, for instance, in the case of new graduate programs), Council has developed the following list of standardized questions, the answers to which are considered in reaching a recommendation on the funding of a specific professional program:

Are there similar programs in Ontario?

Are the existing programs at or near capacity?

Will the new program jeopardize the economic viability of any existing program?

Is there evidence that the proposed program will meet a specific student demand?

1. Letter from the Minister of Colleges and Universities, November 2, 1981.

2. Letter from Dr. W. C. Winegard to the Honourable Bette Stephenson, Minister of Colleges and Universities, October 19, 1981.

3. Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p.27.

Are positions available for graduates of existing programs?

Is there evidence of local support for the program?

Is there co-operation between neighbouring institutions (universities and/or community colleges)?

Does the program have support from the profession?

Does the subject matter of the program have any particular significance to the region surrounding the university?⁴

To date, Council has dealt with three programs in such a fashion: Mining Engineering and Mineral Processing Engineering at Laurentian University (Advisory Memorandum 77-V) and Geological Engineering at Waterloo University (Advisory Memorandum 81-IV). In addition, Council's Academic Advisory Committee is currently considering a Computer Systems Engineering program which has been established at Carleton University.

After considering the Waterloo program, COU informed Council that:

First, we have not yet reached a firm position on whether it is appropriate or feasible for COU to make judgements on individual academic programmes in relation to institutional roles... Secondly, even if COU were to undertake to make such judgements it has as yet no adequate mechanism (such as ACAP) for assembling data and making informed judgements on undergraduate programmes. In these circumstances our Council has found itself dependent largely on comments from those whose legitimate vested interests are not necessarily compatible with the interest of Waterloo, an approach that is clearly open to criticism. Our advice, therefore, does not include a specific recommendation for or against funding.⁵

Council, in light of the foregoing, engaged a team of external consultants to evaluate the program.

In January 1982, following further discussions with COU on the matter of undergraduate and graduate program approvals, the Academic Advisory Committee of Council was created. One of its responsibilities involves reviewing proposals for new undergraduate professional programs, and recommending to Council thereon.

II. Ryerson Programs

By letter of October 14, 1975 the Minister of Colleges and Universities referred to Council the task of advising on the "continued funding of unauthorized degree programs at Ryerson." After meeting with representatives of Ryerson, Council suggested, in Advisory Memorandum 76-V, that program approval mechanisms should be developed to:

... provide a framework within which all offerings, including certificates and diplomas as well as degrees, might be reassessed on a cyclical basis so as to ensure an explicit balance among societal needs, the creation of new programs and the continuation of existing programs.⁶

As well, mechanisms for evaluating new programs had to be developed.

The following requirements were eventually established for consideration of Ryerson programs:

4. Ontario Council on University Affairs, *Fourth Annual Report*, 1977-78, p.45.

5. Letter from Dr. E. J. Monahan to Dr. W. C. Winegard, December 22, 1980, p.2.

6. Ontario Council on University Affairs, *Third Annual Report*, 1976-77, p.43.

- assurance of a program's academic excellence, to be given by the Academic Council of Ryerson
- assurance of the financial viability of the program, to be evidenced by approval from the Ryerson Board of Governors
- a Program Assessment Committee report on, and certification of, societal need.⁷

These requirements are applied to existing degree and new degree and diploma programs. Existing diploma and certificate and new certificate programs are not subject to these requirements.

The Program Assessment Committees, whose members are all external to the Ryerson community, are asked to consider such matters as:

- the level of student demand;
- the employment opportunities for graduates of the particular program under consideration;
- whether similar programs are already available at other institutions; and
- whether the proposed program is compatible with the role of a polytechnic and consistent with the evolution and character of Ryerson.⁸

The reports of the Committees are considered by both the Ryerson Board of Governors and Academic Council before the programs are submitted to Council for consideration.

In summary, Council relies on a rigorous mechanism internal to Ryerson, which produces a combined internal/external judgement of the quality of, and the need for, each program assessed.

III. Undergraduate Special and Quasi-Professional Programs

In Council's 1980 paper, *System Rationalization: A Responsibility and an Opportunity*, a concern was expressed about the need for a policy and procedure for funding approval of "special" and "quasi-professional" programs:

There remains a third category of undergraduate programs which consists of programs which are neither "core" Arts and Science subjects nor strictly professional disciplines. Council here refers to these programs as "special" and "quasi-professional" programs. As an example of a "special" program, Council cites African Studies - clearly, there is not sufficient need for every university in Ontario to develop the expertise and resources to offer programs in this area. A mechanism is needed to determine where such programs of limited demand should be offered. In the "quasi-professional" area, Council would include programs, such as Physical Education, which neither lead to a professional degree in the usually accepted sense nor form part of an institution's Arts and Science offerings. In addition, Council would include in this category programs in subjects, such as Human Biology and Accounting, which may develop into professional programs. Council is aware that many such programs have developed, and may continue to develop, to the point where for all practical purposes they are recognized professional programs. Since professional programs are subject to ministerial approval for funding purposes, Arts and Science subjects which could develop into professional programs must be given closer scrutiny than those in the "core" Arts and Science programs.

COU should monitor the development of these "special" and "quasi-professional" subject areas with the intention of avoiding unnecessary duplication and of identifying the de facto development of professional schools which should be referred to Council. Some coordination is necessary here and Council would prefer that COU assume this coordination

⁷. Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p.74.

⁸. *Ibid.*, p.73.

authority. If COU does not do so, it may be necessary for the Minister to require that all "special" and "quasi-professional" programs be submitted for funding approval.

... Council would clearly prefer to see the undergraduate enterprise develop as a self-regulating one through COU. ... Council recognizes the difficulty of a voluntary association of universities assuming the authority for program planning. However, time is short and unless there is clear evidence that COU is willing and able to accept this responsibility, the authority will have to reside elsewhere.⁹

In the two years since the release of *System Rationalization*, Council has not seen clear evidence that COU is willing to accept the responsibility as outlined. At the same time, Council is convinced that in the public interest there is a need for Ministerial funding approval of "special" and "quasi-professional" programs. A measure of control in regard to funding of special and quasi-professional programs is warranted because of the normally higher level of resources required and the greater vocational orientation involved. Council is, therefore, prepared to accept the responsibility of recommending on the advisability of funding undergraduate "special" and "quasi-professional" programs.

IV. Proposed Procedures for the Funding of New Undergraduate Professional, Special and Quasi-Professional Programs

Council suggests that new programs at the undergraduate level, in Groups A and B below, should require funding approval:

- professional programs (Group A), and
- quasi-professional and special programs *including program majors or options of a quasi-professional or special nature, which may be affiliated with, or based in, a basic discipline area* (Group B).

New programs not falling into either one of these two groups should be considered as programs in basic disciplines, which might be expected to be offered at any university. They should, as they were before November 2, 1981, be funded automatically by Government.

The program areas in which funding approval would be required are as follows:¹⁰

Group A

Agriculture
Architecture
Engineering and Applied Sciences
Journalism
Law
Library Science
Medicine and Health

Group B

Business, Commerce and Public Administration
Community, Urban and Regional Planning
Criminology
Education and Physical Education
Fine Arts
Health Studies
Home Economics and Food Studies

9. Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p.124.

10. See Appendix A for detailed lists.

Human and Family Studies

Labour Studies

Language and Literature Studies other than English and French

Physical Education

Social Work

Council, in reaching a decision on individual new program funding approvals for Groups A and B would consider the following:

1. The proposed curriculum for the program.
2. The academic quality of the program.
3. The financial viability of the program.
4. The projected enrolment for the program over at least a five-year period.
5. The extent of proposed cooperation between or among post-secondary institutions in offering the program.
6. The need for the program in terms of both student and societal demand.
7. Whether the program is significantly different from other similar programs in the province.
8. The extent of local, regional support for the program.
9. How appropriate it is for the program to be offered at a particular university.
10. Whether the program should be funded even in a time of economic restraint.

The university, in forwarding the program to Council for funding approval, would be expected to provide Council with documentation respecting information falling under any of the categories listed above.

IV. a) Procedures for Group A Programs

Upon receipt of a new program in Group A, Council would inform COU and the individual institutions in the system that it is considering the program, and invite them to comment on the program. Council would refer the proposal and any comments thereon and other relevant documentation to its Academic Advisory Committee (AAC).

The Academic Advisory Committee, in formulating its recommendations to Council, would review all of the information provided by a university and any other information from any source such as documentation relating to categories seven, eight and nine. The Committee might, for instance, wish to see a list of similar programs in Ontario together with their course contents, actual enrolments, and enrolment capacities; have a statement from the appropriate professional organization on the need for the proposed program in Ontario; and the existing and projected demand for graduates of the program.

In developing a recommendation, the Committee (and Council) would normally accept the certification of academic quality of the proposed program, as provided by the appropriate governing body of the university.

Council would consider the original program submission and the report of the AAC, and evaluate both in light of category ten above.

IV. b) Procedures for Group B Programs

For new Group B programs, Council would inform COU and the institutions in the system that a proposal had been received, and would circulate the proposal and relevant documentation for comment. If significant concerns were expressed by COU, the institutions and/or within Council itself about the appropriateness of a proposal, then Council might refer the proposal to the Academic Advisory Committee for further consideration, and would seek further information as needed. In most instances it is expected that Council would deal with the proposal directly. Council would reach a recommendation on the proposed program taking into consideration the Committee report, if any, and with due regard to category ten above.

V. Proposed Procedures for the Funding of New Programs in the Basic Disciplines

Council believes that there should be no specific approval necessary for the funding of new programs in the basic discipline areas. The current undergraduate "freeze" should be removed in the case of "core" Arts and Science programs. Council maintains its position, as stated in *System Rationalization*, that institutions should have "as much autonomy as possible in the development of "core" Arts and Science programs.¹¹ These are programs in disciplines which are basic and appropriate to the academic ethos and character of any university. Each university, with respect to these programs, should be permitted to initiate new programs or modify existing programs as it sees fit, and should have them funded automatically at the appropriate formula weight.

Programs in this group would be:

- Biological Sciences
- English Language and Literature
- French Language and Literature
- General Arts and Science
- Humanities
- Mathematical Sciences
- Physical Sciences
- Social Sciences
- Theology

VI. Ryerson Polytechnical Institute and Ontario College of Art Programs

Ryerson Polytechnical Institute and Ontario College of Art programs should continue to be reviewed according to existing funding approval mechanisms.

VII. Conclusion

Council believes that the policies and procedures as outlined in this Advisory Memorandum will clarify any existing confusion in the area of undergraduate program approvals. Furthermore, it will provide an adequate check on unnecessary proliferation of programs and undesirable duplication in the universities and will safeguard the public interest in the funding of these programs.

Accordingly, Council *recommends to the Minister:*

OCUA 82-17

REMOVAL OF THE "FREEZE" ON NEW UNDERGRADUATE PROGRAMS

THAT the "freeze" on new undergraduate programs, as announced by the Minister on November 2, 1981 be terminated.

OCUA 82-18

POLICIES AND PROCEDURES ON APPROVAL OF NEW UNDERGRADUATE PROGRAMS

THAT the policies and procedures on formula funding approval of new undergraduate programs be as set out in this memorandum, and that, therefore:

- a) Formula funding for new undergraduate professional, quasi-professional and special programs be approved only after Council recommends the programs.

11. Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p.61.

- b) That undergraduate programs in basic disciplines, as defined in this memorandum, be funded automatically at the appropriate formula weight.
- c) That Ryerson Polytechnical Institute and Ontario College of Art programs continue to be reviewed in accord with existing funding approval policies and procedures.

B. C. Matthews
Chairman
August 13, 1982

DETAILED LISTING OF PROGRAMS IN EACH GROUP¹²

Group A

Agriculture
Architecture
Dental Surgery
Dentistry
Engineering - Agricultural
 - Ceramic
 - Chemical
 - Civil
 - Computer
 - Electrical
 - Fuels and Materials
 - Geological
 - Industrial
 - Management
 - Manufacturing
 - Mechanical
 - Metallurgical
 - Mining
 - Nuclear
 - Physics
Forestry
Forest Technology
Horticulture
Journalism
Landscape Architecture
Law
Library Science
Materials Science
Medicine
Metallurgy
Nursing
Nursing Education
Occupational Therapy, Physiotherapy and Physical Therapy
Optometry
Pharmacy
Survey Science
Veterinary Medicine

Group B

Accounting, Accountancy
Actuarial Science
Agricultural Business
Art Education, Conservation
Clothing, Textiles, Design and Fashion
Commerce
Community, Urban and Regional Planning
Criminology

12. Program Listings derived from *Horizons 1982-83: A Guide to Post-Secondary Education in Ontario*, Ministry of Colleges and Universities, 1982. The lists are of titles of programs currently offered by universities in Ontario. The lists are illustrative rather than all-inclusive.

Dance
Dietetics
Education - Elementary
 - Secondary
 - Special
Family Studies, Family Science
Film, Cinema
Finance
Fine Art, Studio Art, Painting
Gerontology
Health Studies
Home Economics, Food Studies
Industrial, Labour Relations
Kinesiology
Labour Studies
Language and Literature Studies

- African
- Asian
- Caribbean
- Celtic
- Chinese
- Eskimo
- German
- Greek
- Hindi
- Indian
- Islamic
- Italian
- Japanese
- Korean
- Latin
- Latin-American
- Middle East
- Native
- Near East
- Russian
- Sanskrit
- Slavic
- Soviet
- Spanish

Law Enforcement
Legal Studies
Management, Management Science, Business Management
Marketing
Mathematics - Accounting, Business Administration Options
Mathematics - Teaching Option
Medical Illustration
Municipal Administration
Music
Personnel and Administrative Studies
Pharmacology
Physical Education
Public Administration
Public Service Studies
Recreation
Resource Management, Environmental Studies

Social Welfare
Social Work
Systems Design
Translation, Interpretation
Urban Studies, Urbanism
War Studies

82-VIII A New University for Northeastern Ontario

Northeastern Ontario encompasses a large area extending from Lake Superior on the West to the Quebec border on the East and from Bracebridge on the South to the shores of James Bay on the North. The total population (over 600,000 inhabitants) is widely dispersed throughout the area, with major centres located on or near major highways linking Bracebridge and Sault Ste. Marie through North Bay and Sudbury and from North Bay to Hearst through New Liskeard, Kirkland Lake, Cochrane and Kapuskasing.

At the present time, there is one provincially-assisted university in Northeastern Ontario: Laurentian University of Sudbury. In addition, there are three affiliated colleges: Algoma College at Sault Ste. Marie, 300 kilometers to the west of Sudbury; Nipissing College at North Bay, 125 kilometers east of Sudbury; and Le Collège de Hearst, more than 600 kilometers north of Sudbury.

All four institutions receive grants directly from Government. Each has its own local Board of Governors and is financially independent of the others. At the same time, however, the academic programs of all four institutions are under the control of the Senate of Laurentian University of Sudbury, Laurentian being the only one of the four with formal degree-granting power.

In this Advisory Memorandum, Council suggests that Government re-structure the four existing institutions in Northeastern Ontario to form a single multi-campus university with a mandate to provide university education to the anglophone and francophone population throughout the region. Following extensive study of the existing array of institutions and programs, Council has reached the conclusion that the re-structuring proposed is necessary to effectively and efficiently maintain and enhance opportunities for university-level education in this part of Ontario.

Historical Synopsis

The present range and variety of university-level programs and institutions in Northeastern Ontario is the result of more than 75 years of continuous development. A number of dedicated community leaders have played a crucial role in establishing and nurturing both the existing institutions and their antecedents. Without the commitment and foresight displayed by these individuals the current array of programs would not have been possible. A summary of the developments in each of the four centres follows.

In North Bay, The North Bay Normal School (est. 1909) became the North Bay Teacher's College in 1953. Independently, in 1959, a private corporation known as Northeastern University was established "to continue the task of the University of Toronto in the region" (the University of Toronto had begun offering extension courses there in 1948). Northeastern University, which began offering Year I of an Arts and Science program in 1961, became Nipissing College in 1965 and affiliated with Laurentian University of Sudbury in 1967. In 1973, North Bay Teacher's College became the Faculty of Education of Nipissing College.

In Sudbury, Laurentian University of Sudbury was established in 1960. It has three federated institutions, each of which has a religious denominational affiliation. The University of Sudbury (est. 1957), which federated with Laurentian University in 1961, was originally Le College du Sacre-Coeur (est. 1913) and as such had been affiliated first with the University of Ottawa and later with Laval University. Thorneloe University, established by the Anglican Church in 1961, federated with Laurentian University in 1963. Huntington University was established by the United Church in 1960 and immediately federated with Laurentian. The University of Sudbury, Thorneloe University and Huntington University (none of which has degree-granting powers, except in Theology) do not receive operating grants directly from Government.

In Hearst, Le Seminaire de Hearst, established in 1953 as a private secondary

school for francophones, became a classical college affiliated with the University of Sudbury in 1957 and began offering courses leading to a University of Sudbury Bachelor of Arts degree. In 1965 Le Collège de Hearst affiliated with Laurentian University and, in 1970, the College discontinued its secondary school level programs, retaining post-secondary programs only.

In Sault Ste. Marie, Algoma College was incorporated and affiliated with Laurentian University of Sudbury in 1965 and began offering Year I, II and III Arts and Science programs in 1967, 1971 and 1972 respectively.

Although much has been accomplished by these institutions in extending the range of university-level programs in Northeastern Ontario, several problems have become evident. For example, the participation rate remains much lower than that in Southern Ontario and a large fraction of potential students choose to attend a Southern Ontario university. Further, despite their best intentions, Laurentian University of Sudbury, the University of Sudbury and Le Collège de Hearst have been unable to provide a satisfactory range of courses in the French language.

In addition, shortcomings in the existing structural arrangements have become apparent. There is an unsatisfactory distribution of academic programs and faculty resources among the institutions and the off-campus programs offered by the institutions are not effectively co-ordinated. Furthermore, because each of the four institutions is financially independent and since government grants are tied to student enrolment, the institutions often perceive themselves as being in competition for students. The circumstances in which Algoma, Hearst and Nipissing find themselves are especially difficult because academic decisions are made by the Laurentian Senate, while they each must bear full financial responsibility for their own survival. In addition, because of their small size and hence limited range of academic programs, the institutions have not been able to maintain adequate student enrolment, particularly in some non-professional programs.

In *The Ontario University System: A Statement of Issues* (September, 1978), Council, in a general discussion of "satellite campus rationalization", stated that:

... Laurentian and its affiliated university colleges might be integrated into a University of Northeastern Ontario, with four, or even more, campuses to serve the needs of the region. Faculty would be assigned, and programs offered, on a pro-tem basis in response to local needs. In this way the satellite campuses, and off-campus operations, could continue to provide the same, or better, educational opportunities for the region that the affiliates now serve, but the institution as a whole would have more flexibility to respond to changes in student demand. This type of approach would not necessarily reduce the cost of providing university education in Northeastern Ontario. However, it would be in keeping with other efforts to rationalize the system and might well avoid future problems of regional excess capacity or program proliferation should the affiliates continue to develop along individual institutional lines.¹

Council was concerned about the interrelationships among these institutions and the structural difficulties that seemed to be limiting the effectiveness of the collectivity in providing university education throughout Northeastern Ontario.

Recent Developments

Following the Council hearings at Algoma College in May of 1981, at which all of the institutions were represented, Council appointed a consultant to chair a Committee composed of the four executive heads. This Committee was asked to prepare a report on changes in structure that might be necessary or desirable. In exploring the possible options for structural change in the university system in Northeastern Ontario, the Committee was asked to keep the following objectives in mind:

1. OCUA, *Fifth Annual Report*, 1978-79, p. 30.

- (1) To extend the range of high quality university programs available in Northeastern Ontario;
- (2) To make these programs more accessible to the widely dispersed anglophone and francophone population of the region by the most cost-effective means;
- (3) To respond to the changing educational needs of the region with new program initiatives and new methods of delivery;
- (4) To enhance the attractiveness of university study in Northeastern Ontario, not only to prospective students from the region but also to those from the southern part of the Province; and
- (5) To maintain and strengthen the cultural impact of the university presence in the communities in which campuses are now located.²

In October 1981, the Committee (with Dr. A.N. Bourns as Chairman) presented a report entitled *A Proposal for Structural Change in the University System of Northeastern Ontario*. The report recommended that a University for Northeastern Ontario be established to include the existing institutions located at Sault Ste-Marie (Algoma College), North Bay (Nipissing College), Hearst (Le Collège de Hearst) and Sudbury (Laurentian University of Sudbury and its federated universities). The report was widely discussed in each of the institutions and was the subject of a Council hearing in Hearst in May, 1982. Several written briefs were also received by Council.

In its brief, the Nipissing Board of Governors disagreed with many of the premises that prompted the study and indicated that the proposal for re-structuring was unacceptable. The Board recognized, however, that change is necessary and recommended that exploration of alternatives, in terms of academic and administrative re-organization, continue. Specifically, the Board suggested that there should be a revision of the affiliation agreements with Laurentian University.

Algoma College indicated its support of the proposal to establish a single multi-campus university for Northeastern Ontario which would include all four institutions. At the same time, however, Algoma did express reservations concerning some of the structural details.

Le Collège de Hearst did not agree with the proposal, mainly because it feared that, in the new university, Hearst would lose its effectiveness in serving the Francophone population.

Laurentian University of Sudbury endorsed the overall proposal but made some suggestions for changes in detail and concluded that:

...it would be rational to transform the existing institutions and their inter-relationships into a single multi-campus university and that such a structure would be an effective vehicle for higher education in this region of the North, provided the necessary resources were available.³

In a joint statement to Council in April 1981, the faculty associations of the four institutions had expressed the view that the status quo was unsatisfactory but recommended:

that any efforts to further integrate the existing university structures within the region recognize the need to maintain an effective core of high-calibre resident faculty on the existing campuses.⁴

2. A.N. Bourns, et al, *A Proposal for Structural Change in the University System of Northeastern Ontario*, October, 1981, p. 2.

3. Laurentian University, *The Laurentian Response to Proposals for Structural Change in the University System of North Eastern Ontario Contained in the Report of the Committee of Executive Heads Under the Chairmanship of Dr. A. N. Bourns Consultant on North Eastern Ontario to the Ontario Council on University Affairs*, May, 1982, p. 18.

4. Faculty Associations of Laurentian University, Algoma College, Le College de Hearst and Nipissing College, *A Joint Statement to the Ontario Council on University Affairs*, April, 1981, p. 2.

Le Conseil Etudiant du Collège de Hearst and the Nipissing College Alumni Association also have presented briefs to Council supporting the positions of their respective institutions vis-a-vis the *Proposal for Structural Change*.

At the conclusion of the Council Hearings in May 1982, representatives of each institution urged Council to develop a recommendation on the next step as soon as possible. It became apparent that further discussion among the institutions was necessary but it would only be fruitful after Council, and presumably the Minister, had made some statement, at least in principle, about the proposal to re-structure.

Council's Proposal

Following further review of the various briefs and the discussions at the hearings, Council has reached the conclusion that Government should take steps toward the establishment of a new university for Northeastern Ontario with a mandate to enhance and expand the existing opportunities for university-level programs in Northeastern Ontario. This new university should include as integral parts, Algoma College, le Collège de Hearst, Laurentian University of Sudbury and Nipissing College.

Council suggests that Government announce its intention to establish this new university. Government should then appoint, as soon as possible, a committee to draft an Act for the new, yet to be named, university. This "Act Committee" should be composed of people from the existing institutions and their local communities, as well as people from other communities in Northeastern Ontario.

The Act should ensure that:

- (1) The new university would initially have campuses at Sault Ste. Marie, Hearst, North Bay and Sudbury and could, in the future, have other centres in other communities as needs and resources dictate or allow;
- (2) Algoma College, le Collège de Hearst, Laurentian University of Sudbury and Nipissing College would become integral parts of the new university with the existing Act or Letters Patent under which the present institutions operate being repealed;
- (3) The University of Sudbury, Thorneloe University and Huntington University would be federated with the new university;
- (4) There would be one Board of Governors and one Senate of the new university;
- (5) There would be a local Board of Trustees for each campus to provide advice on the development of local campus activity and to perform executive functions as assigned to it by the Board of Governors of the new university (specifically, the local Boards would continue to have control over the funds that have been accumulated by Algoma, Nipissing, Hearst and Laurentian, respectively, as of the date of proclamation of the Act of the new university);
- (6) All existing contractual agreements and obligations would be assumed by the new institution and all physical assets of the four existing institutions would become the property of the new university, with the exception of certain designated assets and accumulated funds;
- (7) There would be a President and other executive officers of the new university and there would be a Principal for each campus, with the campus principals reporting to the President of the university;
- (8) The new university, through its Board and President, would allocate its human and physical resources among the various campuses to ensure the most effective and efficient utilization of these resources;

- (9) The new university, through its Senate and Board of Governors, would have responsibility for providing university-level education throughout Northeastern Ontario and for offering and promoting the programs on the several campuses as needs indicate and as resources allow; and
- (10) The new university would be bilingual and have a special mandate to offer and promote courses and programs in the French and English languages.

Council recognizes that there are many organizational matters (e.g., composition of Board and Senate, functions and reporting relationships of academic and administrative officers) that would not necessarily be included in the University Act itself. Yet these matters need to be resolved, at least in principle, before a proposed Act could be put forward. Council suggests that these matters be addressed in a "Memorandum of Understanding" to be prepared by the Act Committee simultaneously with the drafting of the Act itself.

The "Memorandum of Understanding" would serve as a guide to the new university in arranging its internal affairs once the Act was proclaimed. The Memorandum should include statements on the following *inter alia*:

1. The role of the Boards of Trustees for each campus;
2. The role of the Principal of each campus;
3. The special role of the new university in providing university-level education for the Francophone population in Northeastern Ontario; and
4. The role of the university officers and the constituent campus officers in program planning, course scheduling and faculty assignments, academic appointments and performance evaluations, budget development and approval, expenditure control, registrarial functions, liaison, information and recruitment, library and physical plant operation, student affairs and university alumni affairs.

Many of these matters were addressed in the report *A Proposal for Structural Change in the University System of Northeastern Ontario*. Council has noted the proposals contained in that report to resolve these and other matters and believes that those proposals form a good basis from which the Act Committee could develop a "Memorandum of Understanding".

Financial Considerations

The re-structuring to form a single University for Northeastern Ontario may result in savings in the cost of providing existing university programs. However, Council recognizes that there are financial implications in the proposal to establish a new university for northeastern Ontario with a mandate to maintain and enhance the opportunities for university-level education available to the widely-dispersed population of the region. It is not possible to be specific at this time in terms of the amount of special funding required, but special funding would be necessary for at least five purposes: (1) the "one-time" costs associated with initial "start-up" expenses; (2) the extra costs of continuing administration, communication and travel to operate effectively a widespread multi-campus university, as compared to a single-campus university; (3) the higher costs (per student) because of low-enrolment classes and the "up-front" costs of developing new, innovative means of delivery of instruction and instructional materials to students widely dispersed throughout the region; (4) the higher costs associated with the university's mandate for bilingualism; and (5) the "one-time" costs of adjusting salaries and benefits to ensure equity within the new university.

Council believes that the needs of Northeastern Ontario are so great, and the circumstances of geography, population and language so unique, that an appropriate amount of special funding should be made available to the new university. Such funding

would be conditional, of course, on the development of more effective programs. Also, the need for special funding would have to be demonstrably justified.

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

OCUA 82-19

*ESTABLISHMENT OF A NEW UNIVERSITY IN UNIVERSITY IN
NORTHEASTERN ONTARIO*

THAT, in accordance with the considerations noted in this memorandum, the establishment of a new University of Northeastern Ontario be approved in principle and that a committee be struck to draft an Act for the new institution and a "Memorandum of Understanding" to serve as a guide for the period of transition.

B. C. Matthews
Chairman
August 13, 1982

82-IX Differential Fees for Visa Graduate Students

On February 19, 1982, the Minister of Colleges and Universities announced that, for the academic year 1982-83, the formula fees for newly admitted visa students would be \$2,700 (for two terms) in arts and science and other undergraduate programs with a formula weight of 1.5 or less (Type A), \$4,400 (for two terms) in professional and other higher-weighted undergraduate programs (Type B), and \$6,600 in Type B graduate programs (on a three-term basis). These fees are 2.8 times higher than those for Canadian and Landed-Immigrant students at the lower-weighted undergraduate level and 4.6 times those at the higher-weighted undergraduate and graduate levels. At the same time, the Minister indicated that for 1983-84 the formula fees for visa students would increase by a further one-third. For the purposes of this policy, a "newly admitted" visa student is one who registered for the first time in a particular program after September 1, 1982.

The purpose of the 1982-83 increased fee rates, according to the Minister's letter, is to ensure that visa students will pay "a higher proportion, than formerly, of the costs of their education". The proposed 1983-84 fee rates would, in turn, constitute "a level which represents two-thirds of cost".¹ Thus the stated purpose of the increases is to require visa students, through their fees, to pay a larger proportion of the costs of their education.

In this Memorandum, Council presents some information on visa student enrolment in Ontario universities and recommends that: (1) the further increase in fees for visa graduate students in 1983-84 be delayed for at least one year so that the impact of the higher fees for 1982-83 can be evaluated, and (2) visa graduate students registering for the first time in a Doctoral program in 1982-83, having completed or transferred from a Master's degree in the same field at the same institution, be exempted from the 1982-83 fee increase.

Recent Trends in Visa Student Enrolment

As is shown in Table 1, during the period 1977-78 to 1981-82 there has been a significant increase in both the number of visa students and in the proportion of total enrolment which visa students constitute. These increases, however, have occurred primarily at the undergraduate level where, for example, full-time visa student enrolment has increased by 72.8% and the proportion has increased from 4.7 percent to 7.7 percent. Part-time undergraduate visa student enrolment, while it has more than doubled, constitutes only 0.3 percent of total undergraduate enrolment (on an FTE basis).

At the graduate level, full-time visa student enrolment has increased since 1977-78 by a much smaller percentage (18.4%) than at the undergraduate level. However, full-time graduate visa student enrolment accounts for a much larger proportion of total full-time graduate enrolment. In 1981-82, full-time visa graduate student enrolment accounted for 20.5 percent of total full-time graduate enrolment. Part-time graduate visa student enrolment has increased only slightly (by 6.2 percent) and has remained constant in terms of proportion of total part-time graduate enrolment (at around 3 percent).

In terms of the geographic origin of full-time visa students, there are marked contrasts between the "mix" at the undergraduate level and that at the graduate level. As Table 2 illustrates, in 1981-82, citizens of Hong Kong and Malaysia constituted the two largest sources of full-time undergraduate visa students, representing 54.2 percent

1. Letter from the Honourable B. Stephenson to Dr. W.C. Winegard, February 18, 1982, p. 2.

Table 1

VISA STUDENT ENROLLMENT

	Full Time Undergraduate		Part-time Undergraduate		Full time Graduate		Part-time Graduate		Total Full Time Equivalent	
	VISA	TOTAL	VISA	TOTAL	VISA	TOTAL	VISA	TOTAL	VISA	TOTAL
Fall, 1981	11,664	151,860	1,892	80,352	3,307	16,117	396	11,859	15,625	194,323
Fall, 1980	9,030	144,973	1,383	76,399	2,849	15,262	392	12,078	12,386	185,514
Fall, 1979	7,481	139,660	1,123	73,054	2,644	14,947	407	12,055	10,562	178,924
Fall, 1978	7,038	138,972	886	68,138	2,754	15,414	404	12,122	10,161	177,317
Fall, 1977	6,751	142,671	823	66,659	2,794	15,655	373	12,325	9,887	180,893

NOTES: 1. Total excludes Unknown and Not Reported.

2. FTE calculated by dividing PT by 3.5 and adding to FT.

SOURCE: USIS 100104101, 2, 3 and 4

of all students. Taken together, the six largest sources of full-time undergraduate visa students (Hong Kong, Malaysia, the United Kingdom, Singapore, the United States and Trinidad, Tobago) comprise 75.6 percent of the total.

At the graduate level, however, the concentration is not nearly so marked. In 1981-82, citizens of the United States and India (the two largest sources of full-time graduate visa students) comprised 25.7 percent of the total. The six largest sources of full-time graduate students (the United States, India, the United Kingdom, Hong Kong, Mexico and Nigeria) represented only 44.9 percent of all such students.

Differential Fees for Visa Students

In January, 1977, the Government introduced differential tuition fees for foreign students. In the first year, visa student fees were set 119 percent higher than the comparable fee for domestic students. The purpose of this action was to ensure that "a greater share of the financial burden of educating foreign students be shifted from the shoulders of Ontario citizens".² As is shown in Table 3, this differential remained fairly constant until 1982-83 and is slated to increase even further in 1983-84.

During the past five years, the differential fees have provided an ever-increasing source of revenue for the university system. As Table 4 illustrates, total foreign fee supplements have increased from \$2.7 million in 1977-78 to \$15.7 million in 1981-82, an increase of almost 485 percent. It should be noted as well that, primarily as a result of the differing enrolment trends mentioned above, the share of the total foreign fee supplements accounted for by graduate visa student fees has declined from 30.7 percent in 1977-78 to 21.9 percent in 1981-82.

2. Letter from the Honourable H. Parrott to Dr. J. S. Dupré, May 4, 1976.

Table 2

FULL-TIME VISA STUDENTS: COUNTRY OF CITIZENSHIP

	Fall, 1977			Fall, 1981			Increase/Decrease		
	Under-Graduate #	Graduate #	Graduate (%)	Under-Graduate #	Graduate #	Graduate (%)	Under-Graduate #	Graduate #	Graduate (%)
AUSTRALIA	34	52	(1.8)	43	50	(1.5)	9	2	(3.8)
BAHAMAS	78	3	(0.1)	83	7	(0.2)	5	4	(133.3)
BANGLADESH	3	60	(2.1)	6	69	(2.0)	3	9	(15.0)
BRAZIL	16	42	(1.5)	15	38	(1.1)	1	4	(9.5)
CEYLON	3	18	(0.6)	14	49	(1.4)	11	31	(172.2)
CHINA	116	16	(0.6)	40	66	(1.9)	76	50	(312.5)
GHANA	33	39	(1.3)	40	54	(1.6)	7	15	(38.5)
GREECE	54	38	(1.3)	114	81	(2.4)	60	43	(113.2)
GUYANA	187	26	(0.9)	121	31	(0.9)	66	5	(19.2)
HONG KONG	1,505	100	(3.5)	3,261	170	(5.0)	1,756	70	(70.0)
INDIA	42	172	(5.9)	68	291	(8.6)	26	119	(69.2)
INDONESIA	152	3	(0.1)	190	13	(0.4)	38	10	(333.3)
IRAN	56	49	(1.7)	222	45	(1.3)	166	4	(8.2)
ISRAEL	34	22	(0.8)	41	45	(1.3)	7	23	(104.5)
JAMAICA	189	26	(0.9)	88	28	(0.8)	101	2	(7.7)
JAPAN	24	47	(1.6)	43	51	(1.5)	19	4	(8.5)
MALAYSIA	313	39	(1.3)	3,128	58	(1.7)	2,815	19	(48.7)
MEXICO	17	59	(2.0)	27	104	(3.1)	10	45	(76.3)
NIGERIA	121	93	(3.2)	148	93	(2.7)	27	NC	
PAKISTAN	23	41	(1.4)	16	54	(1.6)	7	13	(31.7)
SINGAPORE	127	16	(0.6)	611	34	(1.0)	484	18	(112.5)
TAIWAN	19	61	(2.1)	27	33	(1.0)	8	28	(45.9)
TRINIDAD, TOBAGO	243	25	(0.9)	409	37	(1.1)	166	12	(48.0)
TURKEY	9	17	(0.6)	10	50	(1.5)	1	33	(194.1)
U.A.R. OF EGYPT	6	56	(1.9)	13	82	(2.4)	7	26	(46.4)
U.K., ENGLAND	1,806	219	(7.6)	1,028	284	(8.4)	778	65	(29.7)
USA	565	805	(27.8)	468	582	(17.1)	97	223	(27.7)
VENEZUELA	71	39	(1.3)	88	29	(0.9)	17	10	(25.6)
OTHERS (SPECIFIED)	1,002	624	(21.6)	1,231	696	(20.5)	229	72	(11.5)
NR + UNSPECIFIED	185	188	(6.5)	191	175	(5.1)	6	13	(6.9)
TOTAL	6,865	2,892	(100.0)	11,784	3,399	(100.0)	+4,919	+ 507	(17.5)

Table 3

FORMULA TUITION FEES, 1976-84
(\$)

	Undergraduate ¹		Graduate ²		Differential ³
	Domestic ⁴	Visa	Domestic	Visa	
1983-84 (Est.)					
In Program ⁵	1,002	2,090	504.00	1,045	+ 108.6%
Type A	1,002	3,600	504.00	1,800	+ 259.3%
Type B	1,002	5,867	504.00	2,934	+ 485.5%
1982-83					
In Program ⁵	954	1,990	480.00	995	+ 108.6%
Type A	954	2,700	480.00	1,350	+ 183.0%
Type B	954	4,400	480.00	2,200	+ 361.2%
1981-82	851	1,773	427.00	887	+ 108.3%
1980-81	774	1,612	388.00	806	+ 108.3%
1979-80	720	1,500	360.00	750	+ 108.3%
1978-79	685	1,500	342.50	750	+ 119.0%
1977-78	685	1,500	342.50	750	+ 119.0%
1976-77	585	585	292.50	292.50	0.0%

NOTES:

- Undergraduate formula tuition fees are expressed as two-term fees.
- Graduate formula tuition fees are expressed as one-term fees.
- The differential is expressed as the amount by which the Visa fee exceeds the domestic fee as a percentage of the domestic fee.
- The undergraduate domestic fee used is the general Arts and Science fee.
- For 1982-83 and 1983-84 all "non-exempt" foreign students are placed in one of the following three categories:

In Program: all non-exempt foreign students who registered in their program of study prior to September 1, 1982,

Type A: all non-exempt foreign students who registered after September 1, 1982 in a program with a formula weight of 1.5 or lower, and

Type B: all non-exempt foreign students who registered after September 1, 1982 in a program with a formula weight higher than 1.5.

SOURCE: Ministry of Colleges and Universities, *Operating Formula Manual* (various years).

Table 4
FOREIGN FEE ADJUSTMENTS

	Undergraduate	Graduate	Total
1977-78	\$1,860,156(69.3%)	\$825,819(30.7%)	\$2,685,975(100.0%)
1978-79	\$3,490,129(69.8%) <u>+ 87.6%</u>	\$1,507,031(30.2%) <u>+ 82.5%</u>	\$4,997,160(100.0%) <u>+ 86.0%</u>
1979-80	\$5,101,916(73.8%) <u>+ 46.2%</u>	\$1,815,204(26.2%) <u>+ 20.4%</u>	\$6,917,120(100.0%) <u>+ 38.4%</u>
1980-81	\$8,386,307(75.7%) <u>+ 64.4%</u>	\$2,692,171(24.3%) <u>+ 48.3%</u>	\$11,078,478(100.0%) <u>+ 60.1%</u>
1981-82	\$12,242,912(78.1%) <u>+ 46.0%</u>	\$3,438,271(21.9%) <u>+ 27.7%</u>	\$15,681,183(100.0%) <u>+ 41.5%</u>
<u>1981-82</u> <u>1977-78</u>	<u>+558.2%</u>	<u>+316.3%</u>	<u>+483.8%</u>

NOTES: 1. Foreign fee adjustments represent the excess of foreign over normal program formula fees.

2. Bracketed percentages represent proportion of the total while underlined percentages represent the increase over the previous year.

SOURCE: Ministry of Colleges and Universities, *UAR Reports*

Even with higher differential fees, Council believes that the trend toward increasing enrolment of visa students at the undergraduate level may continue. Council is concerned, however, that the higher differential fees may result in a significant decline in the number of visa students at the graduate level. Furthermore, existing informal exchange arrangements and "favoured treatment" with and by foreign institutions, particularly in the United States, may be jeopardised by fee levels which are not only higher than those for domestic students, but may also be higher than those charged Canadian students by foreign institutions.

Council acknowledges the concern of Government that, in times of financial constraint, there should be limits on the amount of public funds expended on behalf of visa students. At the same time, Council believes that Government and the universities should make some contribution to the education of students from abroad not only on academic grounds but also in the interests of Ontario, Canada and the universities themselves. This is particularly true at the graduate level.

Thus, Council is not prepared to recommend any modification of the fees policy, as announced by the Minister in February of 1982, for visa undergraduate students. The concerns which Council has about the impact of higher fee levels on visa graduate students relate to the special contribution that graduate students make in terms of research and scholarly activity.

The enrolment of visa students at the graduate level offers a number of benefits because:

- (1) Universities are dedicated to the pursuit of knowledge, scholarship and research—activities that transcend national boundaries. While Ontario universities have a primary responsibility for training Ontario and

Canadian graduate students, that responsibility should not be limited to citizens of this country.

- (2) Graduate level education is enhanced by the presence of a diverse group of faculty and students who bring to the task a variety of educational backgrounds, conceptual frameworks and methodologies.
- (3) In some academic areas there is a shortage of qualified Canadian students willing to undertake graduate study (e.g., computer science, engineering and certain natural and life sciences). This lack of Canadian candidates jeopardizes the future of advanced research in these areas. Thus availability of visa students to pursue graduate work in these areas helps to maintain the strength of the research enterprise on which Ontario's industrial development depends.

Beyond the direct benefits that accrue from the presence of a certain number of visa graduate students in Ontario universities, there are other considerations. Foreign students, having studied here, frequently move into positions of authority in their home countries. Their "Canadian" experience may naturally lead them to look to Canada and Ontario for products and services needed in their home country. Furthermore, Ontario and Canada owe a "debt from the past". When advanced studies were largely non-existent in Ontario, many Ontarians and other Canadians were accepted as graduate students abroad, often without having to pay a differential fee. Subsequently, they returned to play their part in building and maintaining the strengths of our universities at the current high level.

In addition, reciprocal informal exchange and favourable treatment arrangements which exist with many foreign institutions represent an indirect, but nonetheless significant, benefit. They represent less immediate considerations resulting from the current levels of visa student enrolment which must be recognized as both valuable and continuing. They constitute a "debt from the present" and, as such, should be nurtured and encouraged.

Adjustment of Current Policy

Full and accurate data are not yet available on the impact of the 1982-83 fee increase on the enrolment of visa graduate students. Furthermore, it will be some time before an accurate assessment of the impact of the increases can be made. As Table 5 shows, only seven of the sixteen institutions with graduate programs (and six of the eleven with doctoral programs) have implemented the full visa graduate formula fee for 1982-83. In addition, some institutions have established special scholarship and/or bursary plans to partially offset the higher fees for some visa graduate students.

Nevertheless, the impact in 1982-83 appears to be quite significant. The graduate visa student fees have increased by an average of almost 160% (see Table 6). In addition, preliminary enrolment estimates for 1982-83 provided by COU, indicate that there will be a 1.5 percent reduction in the total number of full-time visa graduate students. This compares unfavourably with a 16.1 percent increase in 1981-82 and a 7.8 percent increase in 1980-81.

Until accurate data on actual enrolment are available, Council is not prepared to propose any "roll-back" of the fees level implemented in 1982-83. However, Council does suggest that the further increase in fees for visa graduate students proposed for 1983-84 not be implemented until the impact of the 1982-83 fee rates can be determined.

Accordingly, Council *recommends to the Minister:*

OCUA 82-20

DELAY OF PROPOSED 1983-84 INCREASE IN FEES FOR VISA
GRADUATE STUDENTS

Table 5

GRADUATE FOREIGN STUDENT FEES, 1982-83
(Formula Fee + \$2,200 for one term)

Institution	Actual Fee	% of Formula Fee
Brock	\$1,667	75.8
Carleton	\$2,420	110.0
Guelph	\$2,100	95.5
Lakehead	\$2,200	100.0
Laurentian	\$2,100	95.5
McMaster	\$2,200	100.0
Ottawa	\$2,420	110.0
Queen's	\$1,667	75.8
Toronto	\$1,667	75.8
Trent	\$1,667	75.8
Waterloo	\$2,100	95.5
Western	\$2,200	100.0
Wilfrid Laurier	\$2,078	94.5
Windsor	\$2,100	95.5
York	\$2,420	110.0
OISE	\$2,500	113.6

SOURCE: Ministry of Colleges and Universities

Table 6

INCREASES IN GRADUATE VISA STUDENT FEES

Institution	Actual Fee 1981-82	Actual Fee 1982-83	Difference
Brock	\$2,310	5,000	+ \$2,690 (116.5%)
Carleton	\$2,436	6,960	+ \$4,524 (185.7%)
Guelph	\$2,388	6,300	+ \$3,912 (163.8%)
Lakehead	\$2,445	6,660	+ \$4,155 (169.9%)
Laurentian	\$2,365	5,300	+ \$3,935 (166.4%)
McMaster	\$2,410	6,178	+ \$3,768 (156.3%)
Ottawa	\$2,430	6,878	+ \$4,448 (183.0%)
Queen's	\$2,310	5,000	+ \$2,690 (116.5%)
Toronto	\$2,224	5,000	+ \$2,776 (124.8%)
Trent	\$2,310	5,000	+ \$2,690 (116.5%)
Waterloo	\$2,358	6,300	+ \$3,942 (167.2%)
Western	\$2,330	6,600	+ \$4,270 (183.3%)
Wilfrid Laurier	\$2,361	6,234	+ \$3,873 (164.0%)
Windsor	\$2,538	6,300	+ \$3,762 (148.2%)
York	\$2,300	6,820	+ \$4,520 (196.5%)

NOTE: Differences between Tables 5 and 6 are a result of different information being provided to two different sources.

SOURCE: Council of Ontario Universities

THAT, the proposed further increase in fees for visa graduate students in 1983-84 be delayed for at least one year so that the impact of the higher fees for 1982-83 may be evaluated.

Fees Level for Visa Students Registering for the First Time for a Doctoral Program Following a Masters Program in the Same Field at the Same Institution

In announcing the visa fees increase for 1982-83, the Minister indicated that it would apply only to students admitted after September 1, 1982. Thus a student currently pursuing a Master's degree who, upon completion, will be registering for a Doctoral program, will be required to pay the new higher fee upon such registration.

In many disciplines, a Master's degree program leads directly to a Doctoral program. Indeed, often the Master's research project becomes an integral part of the Doctoral research project and, in some instances, students proceed to a Doctorate without actually taking a Master's degree. Council believes, therefore, that students registering for a Doctoral degree after having been registered for a Master's degree in the same discipline in the same institution should not be assessed the 1982-83 increase in fees.

Accordingly, Council *recommends to the Minister:*

OCUA 82-21

FEES LEVEL FOR VISA GRADUATE STUDENTS REGISTERING FOR DOCTORAL DEGREE FOLLOWING A MASTER'S DEGREE

THAT, visa students registering for a Doctoral degree immediately after having been registered in a Master's degree in the same discipline in the same university prior to September 1, 1982, not be assessed the fee increase announced for 1982-83 for newly-admitted students.

B. C. Matthews

Chairman

November 19, 1982

82-X Graduate Program Funding – Symbolic Anthropology (MA), University of Western Ontario

In 1980, the Council of Ontario Universities (COU) recommended to Council six new graduate programs for funding consideration. In Advisory Memorandum 80-V Council recommended against funding approval for the programs on the grounds that COU had declined to comment on certain Council requirements for program funding. As outlined in Advisory Memorandum 82-I, Council subsequently referred the six programs, plus the University of Guelph's doctoral program in Veterinary Science (forwarded to Council by COU in 1981), to Council's new Academic Advisory Committee. The Committee was asked by Council to advise on whether the seven programs met Council's funding criteria for new graduate programs, and on whether the programs were consistent with the aims, objectives and existing strengths of the institutions. In Advisory Memorandum 82-I Council advised the Minister on three of the seven programs, and in Advisory Memorandum 82-VI provided advice on three others.

Council has now considered the advice of its Academic Advisory Committee¹ respecting the new graduate program in Symbolic Anthropology (MA) at the University of Western Ontario.

The University of Western Ontario's MA program in Symbolic Anthropology meets all of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII), and is consistent with the aims, objectives and existing strengths of the University. Council takes careful note of the conclusions of the Academic Advisory Committee and the external academic expert who was consulted concerning this new program, and concludes that, even in a time of economic constraint, the program should be deemed eligible for formula funding support from Government.

Accordingly, Council *recommends to the Minister:*

OCUA 82-23

FUNDING FOR THE MASTER'S PROGRAM IN SYMBOLIC ANTHROPOLOGY AT THE UNIVERSITY OF WESTERN ONTARIO

THAT the MA program in Symbolic Anthropology at the University of Western Ontario be deemed eligible for formula support beginning in 1982-83, and that eligible enrolment, from 1980-81 on, be included in the moving average for the university.

B. C. Matthews
Chairman
November 19, 1982

1. See attached Appendix.

Appendix A

OCUA ACADEMIC ADVISORY COMMITTEE**Master of Arts Program in Symbolic Anthropology, University of Western Ontario - New Graduate Program Considered for Formula Funding.**

The 1980 Annual Report to Council from the Ontario Council on Graduate Studies (OCGS), an affiliate of the Council of Ontario Universities (COU), advised that, in COU's opinion, the new MA program in Symbolic Anthropology at the University of Western Ontario had satisfied Council's funding criteria for new graduate programs. COU declined, however, to comment on questions of institutional appropriateness and the funding by Government of such a program in a time of general economic constraint. Council, therefore, felt that it had no choice but to recommend against funding for the program in 1981-82 (Advisory Memorandum 80-V). Subsequently, in January 1982, the program was referred to Council's new Academic Advisory Committee.

The Academic Advisory Committee considered the new program in Symbolic Anthropology on three separate occasions. In accordance with its "Terms of Reference", the Committee examined the program in light of Council's four funding criteria for new graduate programs (Advisory Memorandum 77-VII). It also considered the question of institutional appropriateness and reviewed several documents relating to the program, including:

- the OCGS Annual Report to OCUA, 1980,
- OCUA Advisory Memorandum 80-V,
- Calendar descriptions of the Anthropology programs at Western, Trent, Toronto, McMaster, Carleton and York,
- COU's Advisory Committee on Academic Planning's (ACAP) 1974 Discipline Assessment on Anthropology,
- supplementary correspondence from COU, dated May 13, 1982, relating to the question of program uniqueness,
- enrolment statistics,

and applied each of Council's funding criteria.

The Committee had considerable difficulty with the question of the program's "uniqueness" and, therefore, recommended to Council that an expert external consultant be engaged to study the program. Council approved the Committee's request on March 10, 1982, and Professor Eric Schwimmer (Department of Anthropology at Université Laval) agreed to submit a report on the question of the program's uniqueness. Professor Schwimmer received the same documentation which members of the Committee had received, and his report greatly aided the Committee in reaching its conclusions concerning the program. The Committee's findings are summarized below:

1. NEED

The University of Western Ontario projected that enrolment in the MA program in Symbolic Anthropology would be between four and eight students per year. In 1981-82 two part-time and five full-time students were enrolled in the program. The Committee believes that a variety of employment opportunities exist for graduates of Symbolic Anthropology. In a memorandum to OCGS, the Anthropology Discipline Group stated that: "...training in Symbolic Anthropology (including experience in linguistic and other content analysis of oral traditions, etc.) are increasingly being sought by the legal field. Other members of the group noted other fields in which the importance of such a training is being increasingly recognized".¹

1. Memorandum to Dr. H. Yates, Executive Vice-Chairman, OCGS, from the Anthropology Discipline Group, October 23, 1979, p.3.

Professor Schwimmer concluded that students will find employment in teaching and governmental positions, and "as the chief training of Western graduates will have been in the interpretation of intercultural behavioural signs, they ought to be very employable outside universities as well".² After carefully reviewing all the documentation at its disposal, the Committee agreed that a demand for graduates of the program exists and is satisfied that there is a provincial and national need for a specialized program in Symbolic Anthropology.

2. UNIQUENESS

In his report of June 1st, 1982, Dr. Schwimmer stated:

Western is "unique" with regard to their proposed methodology. Their interpretative "textual" approach to culture is talked about at many universities but practiced in few, all outside Ontario. If students are to learn it, they need to be exposed to it, to the exclusion of other approaches, for some considerable time, and this is possible only at Western.³

In its response to COU's request for comments on the Symbolic Anthropology program at the University of Western Ontario, McMaster University stated: "...our own MA program relates only marginally to the Western proposal, and students here would not obtain an in-depth study of the kind described".⁴ Those other universities offering graduate programs in the field of Anthropology, while perhaps having the potential, do not plan to offer a similar program. The Committee is satisfied that the Master's program in Symbolic Anthropology at the University of Western Ontario differs significantly from other programs in the Province.

3. APPRAISAL

The Committee is satisfied that the program has passed a rigorous academic appraisal, at the time of which it was found not to require improvement.

4. ENROLMENT

Enrolment in the MA program in Symbolic Anthropology at the University of Western Ontario began in September, 1979 with one part-time and five full-time students. Council's enrolment criterion has therefore been satisfied.

5. AIMS, OBJECTIVES AND STRENGTHS

In considering the aims, objectives and existing strengths of the University, the Committee noted the emphasis placed on cognitive anthropology and linguistics in the department's undergraduate program. Such an emphasis provides a solid foundation upon which to build a specialized master's program in Symbolic Anthropology. The Committee is satisfied that the program is consistent with the aims, objectives and existing strengths of the University of Western Ontario.

6. FUNDING

The Committee, therefore, recommends to Council that:

the MA Program in Symbolic Anthropology at the University of Western Ontario, having satisfied Council's funding criteria and other requirements, be recommended to the Minister for formula funding support.

ACADEMIC ADVISORY COMMITTEE

October 28, 1982

2. *Symbolic Anthropology at Western*, Report to OCUA by Professor Eric Schwimmer, June 1, 1982, p.17.

3. *Ibid.*, p.17.

4. Letter from Dean D. Shaw, McMaster University, to Dr. H. Yates, dated July 19, 1979.

82-XI Funding for Twenty Existing Degree Programs at Ryerson Polytechnical Institute

In Advisory Memorandum 78-IV, which was approved by the Minister of Colleges and Universities on February 28, 1979, Council established a mechanism for the consideration of existing degree and new degree and diploma programs at Ryerson Polytechnical Institute. This mechanism consists of:

... a recommendation from Ryerson supported by Academic Council's approval of the academic quality of a program, the Board of Governor's assurance of the financial viability of the program and the Program Assessment Committee's report on and certification of societal need.¹

Ryerson, in February of 1980, submitted four new degree programs for funding approval under the terms of the new procedures. The reports of the Program Assessment Committees which were submitted for the four new programs were, however, incomplete - they certified "societal need" but did not provide the evidence in support of certification that Council had expected. Nevertheless, in Advisory Memorandum 80-III, Council recommended approval of these new programs but noted that "some confusion exists as to the procedure to be followed in arriving at the Program Assessment Committees' estimations of societal need". To eliminate this confusion Council advised that:

... Council will insist that more complete documentation be provided by Ryerson when next it seeks approval for funding of an existing or new program. In particular, Council will require that the report of the Program Assessment Committee include the following information:

- (a) a list of all institutions, organizations, agencies and corporations whose opinions on need were sought by the Committee,
- (b) the formal response from those groups listed in (a), and,
- (c) the judgement of the Committee based upon (b) and its own knowledge.²

On June 30, 1982, in accordance with Advisory Memorandum 78-IV as clarified by Advisory Memorandum 80-III, Ryerson submitted sixteen existing degree programs for funding approval and then, on November 2, 1982, submitted a further four existing degree programs. Thus, in this Memorandum, Council reports on its consideration of the documentation submitted in support of the twenty programs and makes a recommendation concerning funding approval. In addition, Council comments on a question of interpretation relating to Advisory Memorandum 78-IV.

The Programs

Council has reviewed the material submitted by Ryerson and has concluded that, for each of the twenty programs, the conditions for funding approval have been met. Each program has been approved by Ryerson's Academic Council with respect to academic quality. Each program's financial viability has been attested to by Ryerson's Board of Governors and the societal need for each program has been certified by the appropriate Program Assessment Committee. These assurances are supported by the material required by Council and, in particular, by the PAC reports, which now satisfy the requirements outlined in Advisory Memoranda 78-IV and 80-III.

Accordingly, Council recommends to the Minister:

1. Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p. 74.

2. Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p. 124.

OCUA 82-24

FUNDING FOR EXISTING DEGREE PROGRAMS AT RYERSON
POLYTECHNICAL INSTITUTE

THAT the following programs be deemed eligible for continued formula support:

- Bachelor of Applied Arts - Early Childhood Education
- Bachelor of Applied Arts - Food, Nutrition, Consumer and Family Studies
- Bachelor of Applied Arts - Geography
- Bachelor of Applied Arts - Hospitality and Tourism Management
- Bachelor of Applied Arts - Interior Design
- Bachelor of Applied Arts - Journalism
- Bachelor of Applied Arts - Photographic Arts
- Bachelor of Applied Arts - Radio and Television Arts
- Bachelor of Applied Arts - Secretarial and Administrative Studies
- Bachelor of Applied Arts - Social Work
- Bachelor of Applied Arts - Urban and Regional Planning
- Bachelor of Business Management
- Bachelor of Technology - Architectural Science
- Bachelor of Technology - Chemical Engineering
- Bachelor of Technology - Civil Engineering
- Bachelor of Technology - Electrical Engineering
- Bachelor of Technology - Graphic Arts Management
- Bachelor of Technology - Industrial Engineering
- Bachelor of Technology - Laboratory Science
- Bachelor of Technology - Mechanical Engineering
- Bachelor of Technology - Photographic Arts

Council notes that there remains one existing degree program, Survey Engineering Technology, which has not yet been submitted. Ryerson has advised that "documentation on the program evaluation process for this program will be withheld until further analysis and planning are completed - probably by the Spring of 1983".³

Internal Program Review

In Advisory Memorandum 78-IV, Council made the following statement:

To ensure continuing relevance to societal needs, a review of each program offering should be carried out by Ryerson at intervals of no more than seven years.⁴

Recently, concern has been expressed that the extensive program approval procedures outlined in Advisory Memoranda 78-IV and 80-III would be required for all existing programs at seven-year intervals. In response to this concern, Council wishes to clarify its position.

In Advisory Memorandum 80-IV ("The Role of Ryerson Polytechnical Institute"), Council stated its belief that Ryerson's programs:

...should continue to be more oriented towards the practical and the "immediately useful" than the universities' arts and science programs and, for that matter, the universities' programs in established professional disciplines. By offering such programs, which appeal to those students more

3. Letter from Dr. B. Segal to Dr. B. C. Matthews, November 8, 1982.

4. Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p. 74.

oriented towards the immediate utilization of practical knowledge, Ryerson contributes to the development of Ontario's industrial/commercial base. Ryerson's programs should continue to relate directly to the market place; indeed, Ryerson's programs should fill either a current or anticipated market need or they should not exist.⁵

In this connection, Council went on to note the existence of Program Advisory Councils (currently known as Advisory Committees) and to suggest that they might play an active role in ensuring the continued practical relevance of Ryerson's programs.

Council feels very strongly that Ryerson should have a formal, structured internal program review process and that this process should be supported by the effective utilization of the Advisory Committees. It should be primarily focussed on the question of "current or anticipated market need", but must also deal with the other two criteria: academic quality and financial viability. Council does not consider it necessary for Ryerson's internal program review process to be as extensive or as rigorous as that required for the original funding approval of new degree or diploma programs. It does, however, believe that all existing degree and diploma programs should be subject to periodic review and that the results of such evaluations should be reported to Council on a regular basis. The nature of the review process will, in the near future, be the subject of discussions between Ryerson and Council.

B. C. Matthews
Chairman
December 10, 1982

5. Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p. 127.

82-XII Compulsory Ancillary Fees

On May 5, 1982, the Minister of Colleges and Universities wrote to the Chairman of Council "regarding the matter of ancillary fees which are charged by the universities". In her letter, the Minister cited a number of examples of recent or proposed new ancillary fees which, because they are ancillary rather than tuition fees, would "not be included in the limit of formula fee plus 10%". As compulsory fees, however, they would be covered by the Ontario Student Assistance Program (OSAP) for students eligible for support under the Program. Thus the Ministry would be "providing additional contributions, albeit indirectly, to the capital and operating costs of the universities". The Minister went on to state:

... I am concerned that the time may have come for the government to take direct action with respect to compulsory ancillary fees charged by the universities. I would appreciate receiving advice from OCUA regarding the appropriate government position in this area.¹

In this Memorandum, therefore, Council examines the question of the need for Government restrictions on compulsory ancillary fees and the matter of appropriate OSAP policy with regard to such fees.

Identifying Ancillary Fees

On May 12, 1982, the Chairman of Council wrote to the Executive Director of the Council of Ontario Universities (COU) requesting information on the ancillary fees being charged by the universities. Subsequently, COU surveyed its member institutions and submitted to Council, on August 25, 1982, a report on the results of that survey.

In its report, COU defined ancillary fees (which it called "incidental" fees) as:

... any charge imposed or administered by a given institution or one of its constituent parts, in addition to regular tuition fees, which a student was required to pay upon registration or in order to fulfill the requirements of the academic program in which he or she was registered.²

These were then categorized in terms of a) "general" (or "across-the-board") fees charged to all students regardless of their program of study, and b) "program-specific" fees charged only to students enrolled in certain courses or programs.

The COU submission subdivided general ancillary fees into three classes: a) one-time only fees (such as convocation or thesis-binding fees), b) penalty or user fees (e.g., late registration, transcripts, parking, identity card replacement, etc.), and c) fees related to student activities and services. Of these, only c) are of direct concern as the other two types are either not compulsory or are relatively insignificant in terms of cost. Thus throughout this Memorandum the term "general ancillary fees" will refer only to c), "fees related to student activities and services".

In this restricted sense, therefore, the major types of general ancillary fees, and the average level of each for 1982-83, include the following:

- a) health services (average: \$15 per year),
- b) athletics (average: \$35 per year),
- c) student association (average: \$43 per year), and
- d) miscellaneous (from \$2 for an ID card to a \$95 College Fee).

1. Letter from the Honourable Dr. B. Stephenson to Dr. B. C. Matthews, May 5, 1982, p.p. 2-3.

2. Council of Ontario Universities, *Incidental Fees*, August 25, 1982, p. 1.

A detailed summary of general ancillary fees, by institution, was presented in the COU submission. This is reproduced as Table 1 of the Appendix.

For program-specific ancillary fees, the major types, and the range within each for 1982-83, are as follows:

- a) laboratory, including consumable supplies/materials, fees (\$3 to \$381 per course),
- b) field trips (\$10 to \$1,000 per course),
- c) fine arts fees (\$25 to \$145 per course; or \$390 per year),
- d) special registration fees (\$20 to \$209 per year), and
- e) miscellaneous (from \$2.50 for a student professional society to \$2,550 for a Dental Kit).

Detailed information on program-specific ancillary fees, by institution, is provided in Table 2 of the Appendix.

Council notes that the COU submission concerning ancillary fees implies that it is easy to categorize these fees. It is evident, however, that significant differences exist among institutions in terms of the definitions applicable to the various kinds of ancillary fees. In some cases different services are subsumed under fees with similar titles; while in others, variously identified fees are employed to support identical services. This situation is particularly noticeable with regard to program-specific ancillary fees, but is relevant to general ancillary fees as well (for example, the University of Toronto's "Special Fee" for Hart House is essentially a "University Centre Fee").

In addition, it should be noted that, in some cases, an ancillary fee is charged to support certain services in one institution while, in another institution, the student bears the cost directly. For example, in certain cases, lab manuals are provided for students and an ancillary fee is charged to cover the costs; in other cases, the students are required to purchase the lab manuals through the university's bookstore. The costs borne by the students in both instances may be identical, but the method of assessment is quite different. Similarly, some institutions may have failed to report program-specific fees charged directly by departments. For example, Brock University is listed in the COU submission as having no program-specific fees (see Table 2 of the Appendix). However, the calendar descriptions for a number of visual arts courses at Brock note that: "A lab fee of \$25.00 will be charged".³

In general, however, Council believes that the COU submission is useful in the identification and categorization of the compulsory ancillary fees being charged by the universities. While the data may be somewhat inadequate, the submission provides a fairly representative view of both the level of fees and the types of fees currently in existence.

Current Tuition Fee Policy

Traditionally, tuition fees have been viewed as the students' contribution towards the normal operating costs of the university. The Operating Formula Manual defines operating expenditures as:

...all operating expenditures except those

- (a) in connection with assisted/sponsored research,
- (b) for principal and interest payments on capital indebtedness,
- (c) for student aid,
- (d) for ancillary enterprises,
- (e) for capital projects.⁴

3. Brock University, *Undergraduate Calendar*, 1982-83, p.p. 100-101.

4. Ministry of Colleges and Universities, *Operating Formula Manual*, 1982-83, p. 2.

Normally, therefore, the costs classified as normal operating expenditures include those associated with instruction, non-sponsored research, academic support services (e.g. the library), administration and physical plant maintenance.

As the *Operating Formula Manual* notes: "Through their governing Acts, Ontario universities have full legal authority to establish their own fee levels".⁵ Since 1971-72, however, Government has, as a matter of social policy, set fixed "formula fees" by program category for use in calculating annual operating grants. Thus, the *de jure* autonomy of the institutions has been limited by the fact that tuition fees in excess of the limit set by Government are deducted from an institution's operating grant.

Since 1980-81, Government has (as a result of a recommendation contained in Council's Advisory Memorandum 79-IV) allowed institutions "additional discretionary fee increases of up to 10% above formula fees without reduction in operating grant".⁶ In making its recommendation, Council suggested:

It seems appropriate that some autonomy in setting fees be returned to the universities. However, the degree of autonomy should not be such that tuition fees would become a prime factor in a student's choice of university or program.⁷

Currently, virtually all of the institutions charge tuition fees that are 10% greater than the formula tuition fee level.

Under the terms of the operating formula, formula tuition fees may only be used for "eligible" operating purposes. That is, the kinds of expenditures listed on page 2 of the *Operating Formula Manual* (see above) may not be supported through income received as formula tuition fees. However, the proceeds from the "discretionary 10%" may be used for "ineligible" operating expenditures. Further, institutions do have operating income other than that received as operating grants and tuition fees, such as gifts, donations, non-governmental grants and investment income.

The Question of Governmental Restrictions

In Council's view, the central question is: Should there be policy restraints on the kind and/or level of ancillary fees charged by the universities? As was noted above, there are very specific and direct controls on tuition fee levels. The application of controls in the area of ancillary fees, however, would be a departure from current practice.

A related question involves the categorization of certain ancillary fees as "back-door" tuition fees. If ancillary fees are employed to support costs that normally would fall under the heading of "ordinary operating expenses", then they constitute, in effect, alternative forms of tuition fees. As such, they may need to be controlled through a broadening of the current discretionary limit policy or through the direct application of restrictions on some or all of the ancillary fees.

Most program-related ancillary fees represent charges for extraordinary expenses relating directly to a particular instructional activity. Laboratory-related fees involve charges for "consumable supplies or materials, breakage, lab manuals and equipment".⁸ Field trip fees represent, for the most part, travel and accommodation costs associated with specific trips. Fine arts fees consist generally of charges for consumable supplies or materials, private lessons, facility rentals and equipment. Special registration fees are charged to MD and MBA students and students enrolled in co-operative or internship programs.

Some program-specific ancillary fees are less clearly related to extraordinary expenses. For example, the Minister's letter refers to a fee "to cover such items as supplies, equipment, and hiring of teaching assistants" charged to Faculty of Applied

5. *Ibid.*, p. 6.

6. *Ibid.*, p. 6.

7. Ontario Council on University Affairs, *Sixth Annual Report*, 1979-80, p. 63.

8. COU, *Incidental Fees*, p. 4.

Science and Engineering students at the University of Toronto (the COU submission refers to this as a "special academic fee"⁹). It should be noted, however, that this particular fee was student-initiated and implemented after "due democratic process" (i.e., it was not imposed on the students but assessed at the behest of a majority of those directly affected).

The major types of general ancillary fees involve charges for student activities and services. Such activities and services are normally external to the instructional activities of the university but are vital to the maintenance of a university community. Health services fees represent charges for medical supplies and services associated with an on-campus medical treatment facility. Athletic fees are intended to cover expenses related to intramural and recreational programs and facilities or to intercollegiate athletic programs. Student association fees are collected to support activities and services provided by the student government. Many of the miscellaneous general ancillary fees (for example, University Centre and College fees) represent charges for supplementary recreational and educational services and conveniences.

In her letter, the Minister specifically referred to the "learning support resources fee" charged to all Ryerson students, noting that this fee "will create a fund to support student learning aids such as a microcomputing facility". The COU submission mentions a special fee at the University of Western Ontario which is intended "to defray a portion of the original capital costs of . . . a social and recreational facility for students". Also, a "special recreation facilities fee" charged by the University of Waterloo is intended to cover, in part, the capital costs associated with an ice arena.¹⁰ In addition, the Board of Governors at Western has considered, but has deferred, the implementation of a "capital fee" – a general ancillary fee intended to provide funds for unspecified capital purposes.

Capital fees are not a new phenomenon. During the 1960's, many institutions had "students' union building" fees whereby students contributed towards the capital costs of a student or campus centre (often run by the student government). At some institutions, the student association fee continues to include a capital-related component. For example, at Queen's University \$7.50 of the \$55 student association fee is identified as a "Queen's Quest Pledge".¹¹ However, the proposed general capital fee at Western would have been unique in that, if implemented, it would have been imposed without tangible evidence of student support (e.g., a referendum) and it would not have been project-specific.

It is obvious from the above that the question of Government restrictions on compulsory ancillary fees is complex and difficult. For the most part, ancillary fees charged by the institutions represent charges for costs which are not part of their normal operating expenses. Program-specific ancillary fees are imposed for extraordinary instructional expenses and general ancillary fees represent charges for student activities and services not related to instruction. At the same time, however, there is a "grey area" involving ancillary fees, either in-place or proposed, which appears to infringe upon the territory ordinarily occupied by tuition fees or which represent new types of capital fees.

It is Council's view that the range and nature of the fees charged by the institutions is of secondary importance to the total level of fees (both tuition and ancillary) assessed. As long as the fee burden borne by students is not unreasonable and does not vary dramatically among institutions, then the express purpose of a particular ancillary fee should remain a matter of institutional discretion. This is especially so given the fact that the distinction between ancillary fees and tuition fees, or between operating-related and capital-related fees, is difficult to define with any precision.

9. *Ibid.*, p. 5.

10. *Ibid.*, p. 3.

11. Queen's University, *Faculty of Arts and Science Calendar*, 1982-83, p. 320.

As the *Operating Formula Manual* notes: "Tuition fee levels are an aspect of an important government concern: the question of accessibility".¹² Thus Government attempts to control tuition fee levels in order to minimize the financial barriers to university education faced by potential students. On the other hand, Government does not attempt to control the levels of ancillary fees charged by the institutions because the levels of such fees have not been viewed as significantly affecting the students' "ability to pay". It is Council's impression, however, that the Minister's letter of May 5, 1982 reflects a growing concern on the part of Government that, primarily through the implementation of new types of fees, institutional ancillary fee levels are beginning to have a critical impact on accessibility.

Council shares Government's concern in this area. Further, it is Council's view that, if it appears that the total fee burden carried by students is at or near an "unreasonable" level, then Government should implement policy restraints on the level of ancillary fees charged by the institutions. In other words, if ancillary fees are going to have a negative impact on accessibility then they should be controlled. However, it is also Council's view that current levels of ancillary fees are not unreasonable and, therefore, that there is no need for Government to attempt to inhibit the assessment of such fees at the present time.

As Table A illustrates, current levels of tuition plus general ancillary fees do not vary dramatically among institutions. For Group 5 programs, for example, the average of total fees is approximately \$1,165, with a 15% variance between the lowest (Wilfrid Laurier at \$1,111) and the highest (Trent at \$1,282). Further, of the fifteen institutions for which total figures are available, twelve (80%) have fee totals that are within a range of \$60. Council has not attempted to measure current levels of program-specific fees in a similar manner because of the complex nature of such fees and the fact that most of them are charged on a per course basis (i.e., total costs often depend on the number and type of courses taken).

Unfortunately, Council is not able to identify any historical trends concerning levels of ancillary fees. The data provided by COU were for one year only (although the submission does state that "the proposed 1982-83... rates did not differ significantly from those charged in 1981-82"¹³) and no comparable figures are available from any other source. The fact that current levels appear to be fairly reasonable would not allay Council's concern if it were also true that there is a trend towards increasingly higher levels.

12. Ministry of Colleges and Universities, *Operating Formula Manual*, p. 6.

13. Council of Ontario Universities, *Incidental Fees*, p. 1.

Table A

**ACTUAL TUITION AND GENERAL ANCILLARY FEES AS A PERCENTAGE OF
FORMULA TUITION FEES**

Discipline Groups ²	Formula Tuition	Actual Tuition ²		General Ancillary ³	Total	
		\$	(%)		\$	%
Groups 1, 2 and 3						
Lakehead (Technology)	630	630	(100.0)	74	704	111.7
Ryerson	690	759	(110.0)	108	867	125.7
OCA	774	850	(109.8)	64	910	117.6
Group 4						
Ottawa	812	920	(113.3)	102	1,022	125.9
Queen's	812	894	(110.1)	110	1,004	123.6
Western	812	893	(110.0)	118	1,011	124.5
Group 5						
Brock	954	1,050	(110.1)	73	1,123	117.7
Carleton	954	1,049	(110.0)	168	1,217	127.6
Guelph	954	1,048	(109.9)	133	1,181	123.8
Lakehead	954	1,050	(110.1)	74	1,124	117.8
Laurentian	954	1,050	(110.1)	126	1,176	123.3
Algoma ⁴	954	948	(99.4)	N/A	N/A	N/A
Nipissing ⁴	954	975	(102.2)	N/A	N/A	N/A
Hearst ⁴	954	980	(102.7)	N/A	N/A	N/A
McMaster	954	1,049	(110.0)	89	1,138	119.3
Ottawa	954	1,049	(110.0)	102	1,151	120.6
Queen's	954	1,049	(110.0)	110	1,159	121.5
Toronto ⁵	954	1,050	(110.1)	129	1,179	123.6
Trent ⁶	954	1,050	(110.1)	232	1,282	134.4
Waterloo ⁷	954	1,050	(110.1)	104	1,154	121.0
Western	954	1,049	(110.0)	118	1,167	122.3
Wilfrid Laurier	954	1,025	(107.4)	86	1,111	116.5
Windsor	954	1,050	(110.1)	95	1,145	120.0
York	954	1,049	(110.0)	120	1,169	122.5
OISE ⁴	954	1,080	(113.2)	N/A	N/A	N/A
Group 6						
Carleton	1,036	1,139	(109.9)	168	1,307	126.2
Guelph	1,036	1,140	(110.0)	133	1,273	122.9
Lakehead	1,036	1,140	(110.0)	74	1,214	177.2
Laurentian	1,036	1,140	(110.0)	126	1,266	122.2
McMaster	1,036	1,140	(110.0)	89	1,229	118.6
Ottawa	1,036	1,139	(109.9)	102	1,241	119.8
Queen's	1,036	1,139	(109.9)	110	1,249	120.6
Toronto ⁵	1,036	1,140	(110.0)	129	1,269	122.5
Waterloo ⁷	1,036	1,140	(110.0)	104	1,244	120.1
Western	1,036	1,140	(110.0)	118	1,258	121.4
Windsor	1,036	1,140	(110.0)	95	1,235	119.2
Group 7						
McMaster	1,214	1,336	(110.0)	89	1,425	117.4
Ottawa	1,214	1,335	(110.0)	102	1,437	118.4
Queen's	1,214	1,335	(110.0)	110	1,445	119.0
Toronto ⁵	1,214	1,335	(110.0)	129	1,464	120.6
Western	1,214	1,335	(110.0)	118	1,453	119.7

Table A

NOTES

1. Discipline Groups are as follows:

Group 1 - Technology (Lakehead)

Group 2 - Ryerson

Group 3 - Ontario College of Art

Group 4 - Dental Technology, Nursing Technology and Theology

Group 6 - Architecture, Engineering, Landscape Architecture, Industrial Design and Optometry

Group 7 - Dentistry and Medicine

Group 5 - All others

2. Actual tuition fees for 1982-83 were as reported by the institutions to the Ministry of Colleges and Universities.
3. "General" Ancillary Fees are as listed in Table 1 of the Appendix (with the exception of University of Toronto) and consist of ancillary fees charged on an institution-wide basis (i.e., to all students, regardless of program).
4. No information concerning Ancillary Fees at Algoma, Nipissing, Hearst and the Ontario Institute for Studies in Education was contained in the COU submission. Thus data for these institutions is noted as "Not Available" (N/A).
5. The University of Toronto figure is the minimum. There is a range of College Fees (\$2- \$155) and the figure given (\$129) includes a \$2 College Fee. If the maximum figure is used, the effects are as follows:

Group 5	954	1,050	(110.1)	282	1,332	139.6
Group 6	1,036	1,140	(110.0)	282	1,422	137.3
Group 7	1,214	1,335	(110.0)	282	1,617	134.3

6. Trent's figure includes a College Fee of \$95 which is mandatory for all non-resident students.
7. General ancillary fees for the University of Waterloo include a student association fee of \$38.50 (even though this fee is "refundable").

Generally, it is Council's impression that the rate of increases in levels of general ancillary fees has not been unwarranted but that program-specific ancillary fees are now significantly both more common and more substantial than in past years.

The implementation of new kinds of ancillary fees (for example the Applied Science and Engineering fee at the University of Toronto, the "learning resources" fee at Ryerson or the proposed general capital fee at Western), even if total fees remain at reasonable levels, is of some concern. It would appear, however, that the traditional practice of consulting with students prior to implementing such new types of fees (often involving formal approval through a referendum) continues to generally be utilized by the institutions. Usually, this approach has inhibited the imposition of ancillary fees without express student assent and thus there appears to be no need, at the present time, for any additional constraints. In general, therefore, Council feels that, given the current range of ancillary fees in terms of both kind and level, it would not be appropriate for Government to impose policy restraints in this area. However, Council is prepared to monitor the situation carefully in order to ensure that no significant change in either the type or level of ancillary fees occurs without there being an opportunity for the consideration of possible changes to existing Government policy. Thus Council will request that the institutions report annually, through COU, concerning both ancillary fees being charged and any proposed new fees or changes in existing fee levels. Council will also ask COU to develop a standard reporting format so that trends and patterns in ancillary fees may be identified over time.

Ancillary Fees and the Ontario Student Assistance Program

The question as to whether or not any general or program-specific ancillary fees should be declared ineligible for OSAP purposes has also been considered by Council. As noted in the Minister's letter, the current policy allows for a situation whereby indirect Government support for operating expenses is provided through OSAP. Declaring ancillary fees ineligible would have the effect of limiting such support to the direct method of operating grants. Alternatively, OSAP support could be "capped" by allowing support for ancillary fees but only to a certain maximum. Either restriction is likely to affect institutional decisions on the level of ancillary fees.

The identification of certain ancillary fees as ineligible for OSAP support is not without complications. The most obvious of these would occur if an institution were to proceed with an ancillary fee which was not covered by OSAP. Those students who receive support under the program would be adversely affected. As low-income students, they would be faced with paying a fee which would be disproportionately burdensome. Also, the level of OSAP support which they would receive would not take cognizance of the fee and thus would inaccurately reflect their financial status.

In addition, there would be an inconsistency involved in such a policy which would be difficult to rationalize. Allowing certain fees to be levied without reduction in Government support (i.e., operating grants) and yet refusing to allow those fees to be covered by OSAP would not represent a consistent approach. A fee, or group of fees, cannot be "eligible" in one sense and "ineligible" in another when the only factor which changes is the source of Government support—the student aid "pot" in one case, the operating grants "pot" in the other.

It should be noted in this regard that the current OSAP policy does not entail substantial payments relating to ancillary fees. For university students supported through OSAP, ancillary fees represented 3.0% (\$1.2 million) of total costs in terms of grant assessments and 2.7% (\$2.0 million) of total costs for loan assessments in 1981-82.¹⁴ Given that approximately 30% of full-time students are supported through OSAP, the level of indirect support is relatively small. Thus there would not appear to be any reason to alter existing OSAP policy since support for compulsory ancillary fees does not represent substantial indirect support for institutional operating costs.

Accordingly, Council recommends to the Minister:

14. Letter from Mr. W. H. Clarkson (Director of Student Awards, Ministry of Colleges and Universities) to Dr. B. C. Matthews, June 1, 1982.

OCUA 82-25

COMPULSORY ANCILLARY FEES AND THE ONTARIO STUDENT ASSISTANCE PROGRAM.

THAT all compulsory ancillary fees charged by any of the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College be eligible for support under the Ontario Student Assistance Program.

In this context, the phrase "compulsory ancillary fees" should be interpreted to include:

- a) one-time only ancillary fees (such as convocation or thesis-binding fees),
- b) general ancillary fees related to student activities and services, and
- c) program-specific ancillary fees.

It should not be taken to include penalty or optional user fees.

B. C. Matthews
Chairman
January 21, 1983

Table 1

UNDERGRADUATE INCIDENTAL FEES BY UNIVERSITY, 1982-83

FEE TYPE	BROCK	CARLETON	GUELPH	LAKEHEAD	LAURENTIAN	McMASTER	OTTAWA	QUEEN'S	TORONTO	TRENT	WATERLOO	WESTERN	WLU	WINDSOR	YORK	RYERSON	ONT. COLLEGE OF ART
I.D. Card Fee	3				2		5										
Health Services	15	19 25	14 70	10	13 75	12	20	7	17 18 50	25	21 24	21 50	6	10			
Extended Health Ins.																	
Life Insurance			12		3 25												
Athletics	30	67 80	36	25	30	27	35	30	31 50	55	34	44 25	30	20		12 80	
Registration					10												
Class Fee																	
Incidental Student Activity																	
Student Assoc.	25	60 50	40 50	39	66 50	50	30	55	17 75	57 25	38 50*	35 50	50	47	1 20	52 50	35
Special Activities Reserve																	
University Centre Fees		20	20				12	18 26	2 155	95		10		17 50		13 20	25
College Fees																	
Special Fees																	
Ancillary Operations (Ryerson)																4	
Thompson Arena (Western)												7					
Recreation Facilities (Waterloo)											10						
Learning Support Services (Ryerson)																25	
Hart House																	
Totals	73	167 55	122 70	74	125 50	89	102	110 26	92 50 283 73	232 25	65 24	118 25	86	94 50	120	107 50	60

Unless otherwise indicated fees charged are \$ per year.

Notes: Semester Fee rates charged by Guelph, Waterloo and Windsor have been converted to two term rates. Brock rates by course have been multiplied by 5 for an annual rate.

*The student association fee at Waterloo is optional.

Table 2

COMPULSORY PROGRAM RELATED UNDERGRADUATE INCIDENTAL FEES, 1982-83

Program Specific Fee Type																
INSTITUTION																
	BROCK	CARLETON	GUELPH	LAKEHEAD	LAURENTIAN	McMASTER	OTTAWA	QUEEN'S	TORONTO	TRENT	WATERLOO	WESTERN	WLU	WINDSOR	YORK	RYERSON
Laboratory Fee ¹		25*	-	10-20	20*	225	10-50*	75-390	25	3-20*	-QL-	-	-	10-50*	10-381*	-
Consumable Supplies/ Materials ²			-		20*	1.50**	-	-	30	50*		-	-	-	2-200*	-
Breakage ³		5*	-	-	-	-	-	-	-	-	10-20	-	-	-	-	-
Lab Manual			-	-	-	-	-	-	15-18	3-12*	-	-	-	-	-	-
Equipment Fee ⁴		7-350	-	-	-	-	-	30-150	-	4	-	-	-	-	-	-
Course Notes		10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Field Trips ⁵		10-700	80-160	10-190	-	100*	NOT SPEC.	25-180	54.50	5-550*	9-250*	-	-	25-150*	65-1000*	-
Programs Abroad		-	-	-	-	-	-	-	268	35-150	-	-	25	-	-	-
Activity Fee		-	-	30	-	-	-	-	-	250	-	-	-	-	-	-
Studio Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Instrument Fee		-	-	-	-	-	-	-	30-35	-	-	100	-	-	-	-
Private Lessons		-	-	-	-	-	-	-	-	-	-	195*	-	90*	-	-
Screening Fee		-	-	-	-	-	-	-	15*	-	-	-	-	-	-	-
Audition Fee		-	-	-	-	-	-	-	10	-	-	-	-	-	-	-
Duplication Fee ⁶		-	-	-	10	-	VAR	25-120	30-100	-	-	-QL-	-	70	-	-
Laundry/Uniforms ⁷	11	20-82	-	-	-	75	-	-	-	-	-	-	-	-	-	-
Rabies Immunization		21-63	-	-	-	-	-	360	-	-	-	-	-	-	-	-
MD Diagnostic Equip.		-	-	-	-	500	-	-	277-	-	-	130-2550	-	-	-	-
Dental Kits		-	-	-	-	-	-	-	1674	-	-	-	-	4.50- 13.00	-	-
Student Professional Society		-	-	-	-	2.50- 15.00	-	5.50- 33.00	5- 35.00	-	4.00- 11.00	-	-	-	16	-
MD Registration		-	-	-	-	-	20-50	-	-	-	-	50	-	-	-	-
MBA Registration		-	-	-	-	-	-	-	-	-	-	50***	-	-	-	-
Co-op PGM/ Placement		-	-	-	-	180	-	-	-	-	209	-	180	-	-	-
Internship Program Fee		-	-	-	-	-	-	-	-	-	-	-	50	-	-	-
Master of Industrial Relations Academic Fee		-	-	-	-	-	-	-	20	-	-	-	-	-	-	-
Engineering Academic Fee		-	-	-	-	-	-	-	100	-	-	-	-	-	-	-

Unless otherwise indicated fees charged are \$ per year.

Table 2

NOTES**1. Laboratory fee**

- | | |
|---------|--|
| York | - natural science lab courses have a lab fee of \$10 per course
- fourth year computer science courses have a \$50 lab fee per course |
| Toronto | - rehabilitation medicine students are charged \$25 per year. |

2. Consumable Supplies/Materials Fee

- | | |
|------------|--|
| Carleton | - all biology students are charged \$25 per course for lab supplies |
| Lakehead | - education students only are charged \$10-25 per course for materials |
| Laurentian | - \$20 per course in all engineering, science and sports administration courses |
| McMaster | - \$225 represents the charge for studio art students per year |
| Ottawa | - fee includes commercial arts and visual arts courses only |
| Queen's | - fee represents the total cost per year
- most students are charged around \$100 per year
- fine arts students are charged between \$200 and \$390 per year depending on courses taken |
| Toronto | - first year medicine students are charged a \$30 microscope maintenance fee |
| Trent | - materials fee includes course material and lab manual and applies to a fourth year biology course only |
| York | - all students taking science courses are charged between \$4 and \$60 per session
- administrative studies students are charged \$22 per course
- geography students are charged between \$3 and \$50 per course
- fine arts students are charged between \$25 and \$145 per course
- physical education students are charged between \$150 and \$200 per year
- upper year computer science students are charged \$100 per year
- education students are charged between \$5 and \$15 per course |

3. Breakage Fee

- | | |
|----------|---|
| Waterloo | - students taking courses in engineering, biology and chemistry are charged \$10 per year for breakage
- earth science students are charged \$20 per year
- refunds are provided at the end of the year |
|----------|---|

4. Equipment Fee

- | | |
|----------|---|
| Carleton | - geology, biology and computer science students are charged between \$7 and \$11 for equipment which includes such things as hand lens, computer discs and forceps
- architecture students are charged \$350 for camera equipment |
| Queen's | - applied science students pay a \$150 equipment fee |

5. Field Trips

- | | |
|----------|--|
| Carleton | - field trips for required courses in biology and geology cost, on average, \$150 per course |
| | - optional course field trips range between \$140 in journalism and \$700 in biology |
| Guelph | - only diploma students in agriculture are charged for field trips |
| Lakehead | - the average charge for field trips is \$100 yearly |
| | - year four forestry students are charged \$190 per year |
| McMaster | - geology students are charged \$100 per course |
| Ottawa | - geology, physical education students are charged a fee for field trips although the actual fee is not indicated |
| Queen's | - total cost per year for certain programs is indicated |
| | - of those programs that have field trips only three are \$25, the rest are over \$100 with outdoor education field trips costing \$180 per year |
| Toronto | - physical education students are charged \$54.40 for a first year field trip and \$78 for a second year trip |
| | - biology students are charged \$268 accommodation for a New Brunswick trip |
| | - anthropology field school costs \$20 plus food |
| Trent | - most field courses are under \$50 |
| | - two upper year geography courses are \$150 and one upper year biology course is \$550 |
| Waterloo | - most field trips are under \$100 |
| | - of the three courses over \$100, two are in biology and one in earth science |
| Windsor | - civil engineering field trips are \$40 per course, human kinetics are between \$25 and \$50 per course and geology students are charged \$150 per field course |
| York | - earth science summer field courses which include room and board cost between \$65 and \$1000 |

6. Duplication Fee

- | | |
|----------|---|
| Windsor | - all law students are charged a \$35 per term duplication and reproduction fee |
| Carleton | - unspecified charge for law students |

7. Laundry/Uniform Fees

- | | |
|------------|---|
| McMaster | - uniforms costs are \$75 per year for all students taking clinical education courses |
| Queen's | - science, fine arts, outdoor education and some health science students are charged less than \$80 |
| | - medical students are charged \$120 |
| | - physical education students are charged \$115 |
| Laurentian | - includes physical education and sports administration students only |
| Guelph | - only DVM students are charged a laundry fee of \$10-41 per semester |
| Carleton | - chemistry lab coats cost \$11 per year |
| Toronto | - medicine students are charged between \$30-\$100 per year for laundry fees. |

82-XIII Funding for the Undergraduate Program in Computer Systems Engineering at Carleton University

In December 1981, Council received a formal request from Carleton University to recommend to the Minister of Colleges and Universities that its new undergraduate program in Computer Systems Engineering be eligible for formula funding support. Being an undergraduate, professional program and so requiring a specific recommendation from Council for funding, the program proposal was forwarded to Council's Academic Advisory Committee.¹

Council finds that the program is of suitable academic quality; is financially viable; meets an evident student demand and societal need; and is significantly different from other similar programs in the province. As well, there is extensive community support for the program. Carleton University has the academic staff and resources to mount such a program.

The Ottawa region has a marked concentration of industrial firms in the high technology field that offers significant potential for economic growth and that complements the proposed program. Council believes that, even in a time of economic restraint, Government should support programs that will assist in the development of high technology in Ontario.

At the moment, there is no formal cooperation between Carleton and the University of Ottawa in the offering of computer engineering courses. In this connection, Council takes particular note of the following comments of the Academic Advisory Committee on pages seven and eight of "Appendix A":

Ottawa has just this year introduced a Computer Engineering stream within its existing Electrical Engineering program. The Committee feels strongly that the two universities should explore, in formal discussion, areas of possible cooperation and coordination in the offering of their respective programs.

Council strongly endorses the concept of active cooperation and coordination in terms of course offerings, faculty and equipment. There may indeed be a need for two such programs in the Ottawa area, but in a time of resource constraint, it is crucial that there be effective cooperation and coordination between the institutions in the offering of similar programs.

Accordingly, Council *recommends to the Minister:*

OCUA 82-26

FUNDING FOR THE UNDERGRADUATE PROGRAM IN COMPUTER SYSTEMS ENGINEERING AT CARLETON UNIVERSITY.

THAT the undergraduate program in Computer Systems Engineering at Carleton University be deemed eligible for formula support beginning in 1983-84, and that all eligible enrolment, from 1982-83 on, be included in the moving average for the university.

B. C. Matthews
Chairman
February 4, 1983

1. See Appendix A.

OCUA ACADEMIC ADVISORY COMMITTEE

Undergraduate Program in Computer Systems Engineering (B.Eng.), Carleton University- New Undergraduate Professional Program Considered for Formula Funding

In accordance with the new procedures for consideration of new undergraduate professional programs, as set out in Council's Advisory Memorandum 82-VII, Undergraduate Program Approvals, and as accepted by the Minister, a proposal for a Computer Systems Engineering program at Carleton University was circulated for comment to the Council of Ontario Universities (COU). COU, in turn, asked for advice concerning the proposal from its Committee of Ontario Deans of Engineering (CODE). Each Ontario Engineering dean was subsequently provided with a complete package of all relevant documentation. CODE provided advice to COU, and the Vice-Presidents' Academic Group of COU concurred with CODE's judgement. COU declined to comment on the specific question of whether the program should actually receive formula funding. Council referred CODE's comments to the Academic Advisory Committee (AAC) and asked for specific recommendations relating to the Carleton program.

It is the Committee's understanding that Council is solely responsible for judging whether a program "should be funded even in a time of economic restraint." The Committee, therefore, does not offer any comment on this question, but it has considered the other nine categories of information and inquiry as listed in Council's Advisory Memorandum 82-VII.¹

The Committee reviewed the following material relating to Carleton's Computer Systems Engineering program:

- OCUA Advisory Memorandum 82-VII,
- Bachelor of Engineering Program in Computer Systems Engineering: A Proposal, Carleton University, January 1981,
- Report of the Senate Academic Planning Committee on the proposed Bachelor of Engineering Program in Computer Systems Engineering, Carleton University, July 29th, 1981,
- Engineering Manpower News, # 29, April, 1981,
- Advanced Technology Human Resource Requirements Survey, Ottawa-Carleton Industrial Training Council, May 1981,
- Letters from the presidents of several Ottawa-based companies, endorsing the concept of the program,
- Letter from the President of the Association of Professional Engineers of the Province of Ontario, March 3, 1982,
- Letter from the Chairman of CODE, May 14, 1982,
- Joint letter to CODE from the Engineering departments of the universities of Ottawa and Carleton, April 26, 1982,
- Enrolment Statistics.

The Committee's findings with regard to the program are summarized below:

1. PROPOSED CURRICULUM

There is currently at Carleton a Computer Systems Engineering "stream" within the present Electrical Engineering program. Carleton feels that, in addition to this stream, a full four-year program in the field is now required. The proposed curriculum would consist of the conventional first-year Engineering core subjects and then primarily a sequence of courses now offered as electives to students in Engineering and Computer Science. The course material drawn from the departments of Electronic Systems and

1. Ontario Council on University Affairs, *Advisory Memorandum 82-VII, Undergraduate Program Approvals*, p.11.

Computer Engineering and Computer Science would allow the student to concentrate on the "interrelated fields of computers, electronics and communications."² The Committee feels that the proposed curriculum has been carefully designed and is appropriate in terms of the subject areas to be covered.

2. ACADEMIC QUALITY OF THE PROGRAM

The Committee notes that the program has received extensive internal examination at Carleton and has been approved by the Senate at Carleton. The Committee sees no reason to question the academic quality of the program.

3. FINANCIAL VIABILITY OF THE PROGRAM

In our opinion, the resource requirements for the program are not substantial. The proposal would entail the addition of two new half-courses; one additional faculty member; three additional teaching assistants; and the addition of 75 square metres of laboratory space. Due to the enrolment limits which will be placed on the program and some anticipated corporate financing, the University feels that the program will be financially viable and will not be a significant strain on existing resources.

4. PROJECTED ENROLMENT

For the first two years of the program, Carleton proposes that enrolment in the second year of the program be limited to 30 students. This will allow the University time to assess the potential demand for the program and the institution's ability to provide adequate resources. Due to existing teaching workloads, Carleton also proposes that the enrolment ceiling for all of the Faculty of Engineering be frozen. The enrolment of students in the new Computer Systems Engineering program should, therefore, not result in an increase in overall Engineering enrolment. The Committee believes that these are rational enrolment policies.

5. COOPERATION WITH OTHER POST-SECONDARY INSTITUTIONS

At the moment, there does not appear to be any formal link with other post-secondary institutions with regard to the Computer Systems Engineering program, but the Committee notes the intention of the University of Ottawa to develop a full-fledged program in Computer Engineering within the next three years. Ottawa has just this year introduced a Computer Engineering stream or option within its existing Electrical Engineering program. The Committee feels strongly that the two universities should explore, in formal discussion, areas of possible cooperation and coordination in the offering of their respective programs.

6. NEED — STUDENT AND SOCIETAL DEMAND

The Committee is satisfied that there is a very significant student demand for a program of this kind. For instance, CODE states that for computer options in existing Electrical Engineering programs, there are "extreme enrolment pressures and many good students are turned away each year".³ The advice from CODE goes on to conclude that, therefore, the economic viability of any existing Electrical Engineering programs will not be jeopardized by the introduction of the Carleton program.

There also appears to be a strong societal demand for the program in that graduates of the program will have the skills to bridge the very crucial gap between electrical engineering per se and computer science. In this connection, C. D. Patterson, President of Digital Data Communications Ltd., offered the following comment:

2. *Bachelor of Engineering Program in Computer Systems Engineering: A Proposal*, Carleton University, January, 1981, p.i.

3. Letter from Dr. J. G. Locker to Dr. E. J. Monahan, May 14, 1982.

To an electronics hardware/software manufacturer, the graduates of a conventional computer sciences department usually have difficulties in adjusting to our requirements. A similar though not such an extreme difficulty, exists with the graduates of the electrical engineering department who sometimes lack a systems understanding and have too narrow an approach to a complex problem.⁴

The Committee is satisfied that graduates of the program could find employment in many diverse areas within industry, such as computer network design, remote distributed control of pipeline pumping stations, telephone switching systems and videotex data storage/transmission/display systems.⁵

7. PROGRAM UNIQUENESS

While there are several universities in Ontario which now offer a computer option or stream within their existing, traditional engineering programs and while some are developing full-scale computer engineering programs, Carleton's program would appear to be unique in two ways:

- a) it is already a full-scale program in Computer Systems Engineering, and
- b) it does not concentrate only on computer engineering, but rather exposes the student to a wide variety of computer-related and computer systems-related fields.

8. LOCAL, REGIONAL SUPPORT FOR THE PROGRAM

The Ottawa area contains a significant number of computer systems-related industries. Carleton's program initiative appears to be supported quite strongly by businesses in the region.

9. INSTITUTIONAL APPROPRIATENESS

As this new program draws heavily on already established strengths in several engineering departments and in the Computer Science Department, and as the University appears, for the most part, to have the requisite support services in place, the Committee would suggest that the program is an appropriate one for Carleton.

10. FUNDING

The Committee, therefore, recommends that:

Carleton University's new program in Computer Systems Engineering (B.Eng.), having satisfied all of Council's requirements for new undergraduate professional programs, be recommended to the Minister as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

January 4, 1983

4. Letter to Prof. J. S. Riordan, Chairman, Dept. of Systems and Computer Engineering, Carleton University, January 1981.

5. *Bachelor of Engineering Program in Computer Systems Engineering: A Proposal*, Carleton University, January, 1981, p.1.

82-XIV The Allocation of the Government's Operating Support for the University System in 1983-84

By letter of February 15, 1983, the Minister of Colleges and Universities informed Council that, for 1983-84, a maximum of \$1,113.5 million in operating grants will be made available for the university system. Of this amount, \$1,108.65 million is available for Council's basic funding objectives and the grant-in-aid for the Bar Admission Course. The remaining \$4.85 million will be retained by the Ministry of Colleges and Universities for line budget items.

Council was also informed that, consistent with Council's Recommendation 82-8, Government will provide an additional \$12.0 million in operating support "as a special one-time grant towards institutional expenditures on equipment for use in teaching undergraduates and on library equipment and acquisitions".¹ This grant will be allocated to the institutions *pro rata* on the 1982-83 distribution of operating grants. A high priority is to be given to equipment improvements in programs in science and engineering and the Ministry of Colleges and Universities' capital reporting system will be used to account for the expenditures this grant will support.

In addition to the operating grants announcement, the Minister reaffirmed the Premier's statement of September 21, 1982, concerning increases in tuition fee rates during the Inflation Restraint Program. Formula fee rates for domestic students will increase by 5.0% in 1983-84. Institutional domestic tuition fee rates in 1983-84 will be allowed to increase by no more than 5% above those charged in 1982-83, therefore "no further use may be made of the discretionary fee provision beyond the 1982-83 level".² Application of the increase in domestic formula fee rates to Council's estimate of total student enrolment in 1983-84, yields an estimated \$11.4 million in additional formula fee revenue.

The Minister also announced that, in addition to the 5% increase in domestic formula fees, the scheduled second increase in formula fee rates for foreign students who registered for the first time after September 1, 1982 will be implemented as planned only for undergraduate students. Thus, fees for such undergraduate foreign students who are enrolled in Upper Years Honours Science, Music or Environmental Studies programs with a formula weight of 1.0 per term or in programs with a formula weight of 0.75 per term or less, will increase from the present \$2,700 to \$3,780. The fees for all other such undergraduate foreign students will increase from \$4,400 to \$6,160. Acting on Council's advice, contained in Advisory Memorandum 82-IX ("Differential Fees for Visa Graduate Students"), the Minister has postponed, for at least one year, the scheduled increase in formula fees for graduate visa students (except for students enrolled in Theology) to 66-2/3% of educational costs. For 1983-84, formula fees for these students will rise by 5%. The Ministry of Colleges and Universities estimates that revenue accruing to the universities from foreign student fee rates in excess of the domestic fee rate will increase by \$7.0 million in 1983-84.

Based on the above estimates of the increase in formula and foreign student fee revenue and an estimated 3.0% increase in enrolment, total grant and fee revenue accruing to the university system in 1983-84 is expected to be \$1,386.8 million. This represents a 9.0% or \$114.9 million increase in funding for the system from these two sources over 1982-83.

In December 1982, Council updated its 1983-84 funding advice by submitting Advisory Memorandum 82-III A. This updated advice reduced the amount recommended for operating grants contained in Advisory Memorandum 82-III by \$36.4 million. This advice reflects what Council believes will be the effect of *An Act Respect-*

1. Letter from the Honourable Dr. B. Stephenson, Minister of Colleges and Universities, to Dr. B. C. Matthews, dated February 15, 1983, p. 1.

2. *Ibid.*, p. 2.

ing the Restraint of Compensation in the Public Sector in Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province on the university system. The estimated total revenue available for Council's basic funding objectives in 1983-84, including the \$1,108.65 million in operating grants designated for Council's basic funding objectives and the estimated \$18.4 million from formula and foreign student fee rate increases, falls \$8.9 million short of Council's revised basic funding objectives. The estimated total revenue available to the university system in 1983-84, including the \$12.0 million equipment and library grant, falls \$10.4 million short of Council's revised total recommendation for operating support of \$1,448.3 million (\$1,434.8 million for basic funding objectives; \$1.5 million for the grant-in-aid for the Bar Admission Course and funding of existing bilingualism programs;³ and \$12.0 million for additional funds for equipment and library acquisitions).

In this memorandum, Council presents its advice on the distribution of the \$1,108.65 million that has been made available for operating grants. This includes recommendations on the allocation of differentiation grants, Northern Ontario grants, bilingualism grants, the grant-in-aid for the Bar Admission Course, a provision for final enrolment adjustment and the distribution, by formula, of the funds remaining after the above allocations.

Differentiation Grants

Council introduced, in Advisory Memorandum 80-VI, differentiation grants as a new category of extra-formula funding for institutions that accept a clearly differentiated role, demonstrate their intention to pursue their strengths efficiently and effectively, and require special funding to do so. Council also made it clear that the annual renewal or continuation of such a grant would depend entirely on the progress the institution makes towards attaining its goals over the period for which the grant is awarded.

In recognition of its distinct character as the only institution in the Province engaged almost entirely in undergraduate Arts and Science instruction, Trent University has been the only recipient of a differentiation grant in 1981-82 and 1982-83. In Advisory Memorandum 81-IX, Council emphasized that renewal of this grant for 1983-84 was conditional upon Trent providing firm evidence that the institution was continuing to make progress towards the objectives outlined by Council: (i) to search for more efficient ways of carrying out its role as a primarily undergraduate Arts and Science institution and; (ii) to make evident progress toward the pruning and consolidation of its graduate offerings.

Council continues to believe that Trent is taking appropriate steps to differentiate its role. Since the awarding of the differentiation grant for 1982-83, Trent has continued to implement its plans to modify its graduate program offerings. Specifically, Trent has "ceased to admit students into single-discipline Master's-level programs in Physics Chemistry and History as of July 1, 1982".⁴ It has also progressed with the development of a multi-disciplinary Masters program in Canadian studies by establishing a Centre for Canadian Heritage and Development Studies.

Council is encouraged by Trent's progress towards achieving a mode of operation more closely aligned to available resources. In 1982-83, it took significant steps towards controlling its expenditures.

In view of the actions already taken by Trent and its continued commitment to search for more efficient ways of carrying out its role as a primarily undergraduate Arts and Science institution, Council concludes that the differentiation grant to Trent should be increased from the 1982-83 level of \$1.4 million to \$1.5 million. Council accordingly recommends to the Minister:

3. It should be noted that subsequent to the submission of Advisory Memorandum 82-III, \$336,000 of the amount requested to cover the outstanding incremental costs of bilingualism in 1982-83 was provided by Government. This would reduce the shortfall to \$10.1 million.

4. Trent University, *A Progress Report to the Ontario Council on University Affairs*, December, 1982, p. 4.

OCUA 82-27

DIFFERENTIATION GRANT FOR TRENT UNIVERSITY 1983-84

THAT a differentiation grant of \$1,500,000 be made to Trent University in 1983-84.

In making the above recommendation, Council must emphasize that the increase in the level of the grant should not be interpreted as being any form of indexing. As in the past, the recommended level of any future differentiation grant will be determined as a result of a review of the existing circumstances of the institution.

Northern Ontario Grants

In Advisory Memorandum 80-VI, Council indicated that it anticipated undertaking a thorough review of the Northern Ontario grants. Since that time, Council initiated a review of the delivery of university-level education in Northeastern Ontario and has recommended to the Minister that a new university for Northeastern Ontario be established. Council now believes that it would be inappropriate to undertake a review of the Northern Ontario grants until after the structure for the delivery of university-level education in Northeastern Ontario is clarified and until changes in the operating grants formula, if any, are implemented.

For 1983-84, the value of the Northern Ontario grants for Lakehead and Laurentian universities, and Laurentian's affiliated colleges, is calculated according to the "mini-formula" outlined in Advisory Memorandum 75-VII. On the basis of that formula, each grant is determined with reference to the prior year's Basic Operating Income of each institution.

Accordingly, Council *recommends to the Minister:*

OCUA 82-28

NORTHERN ONTARIO GRANTS 1983-84

THAT Northern Ontario grants in 1983-84 be made in the following amounts:

Lakehead	\$2,027,000
Laurentian	1,965,000
Algoma	185,000
Laurentian (Algoma)	20,000
Nipissing	340,000
Laurentian (Nipissing)	26,000
Hearst	102,000
Laurentian (Hearst)	7,000

Bilingualism Grants

In Advisory Memorandum 77-VI, Council documented the incremental costs of existing bilingualism programs and found that the level of bilingualism grants did not cover these costs. On the basis of these findings, Council recommended that additional funds be made available to overcome this shortfall over a two year period. One million dollars was requested and received for 1978-79. In 1979-80, \$0.5 million of the remaining \$1.0 million requested by Council was made available by Government. Since that time Council has requested annually that the remaining \$0.5 million (escalated by an appropriate inflationary factor) be provided. In 1982-83, Government offset a portion of this shortfall by providing an additional \$336,000 in bilingualism grants.

For 1983-84, therefore, the total funds available for distribution by Council are equal to the total of the previous year's grants (including the additional \$336,000) increased by the percentage increase in total university operating grants (7.5%).

Council is again recommending that total available bilingualism grants be allocated according to the incidence of incremental bilingualism costs, as identified by Council's 1976-77 cost study documented in Advisory Memorandum 77-VI. However, Council is in the process of reviewing bilingualism costs and the results of this review will be used to formulate recommendations on the appropriate level and distribution of grants for 1984-85 and subsequent years.

Accordingly, Council *recommends to the Minister:*

OCUA 82-29

BILINGUALISM GRANTS 1983-84

THAT bilingualism grants in 1983-84 be made in the following amounts:

Ottawa	\$6,885,000
Laurentian	1,702,000
Glendon	217,000
Hearst	85,000
Sudbury	31,000
St. Paul	331,000

Bar Admission Course

In recent years, Council has recommended that the grant-in-aid for the Bar Admission Course be increased by the same percentage as that accorded the university system as a whole. Council continues to apply this policy and proposes that the grant-in-aid for the Bar Admission Course for 1983-84 be increased by 7.5% over the \$637,000 allocated in 1982-83.

Council, accordingly, *recommends to the Minister:*

OCUA 82-30

*GRANT TO THE LAW SOCIETY OF UPPER CANADA ON BEHALF OF
THE BAR ADMISSION COURSE 1983-84*

THAT a grant of \$685,000 be made to the Law Society of Upper Canada for support of the Bar Admission Course in 1983-84.

Basic Income Unit Values

Of the \$1,108.65 million available for distribution in 1983-84, Council has recommended that \$16.108 million be made available for Northern Ontario, bilingualism, differentiation grants, and for the grant-in-aid for the Bar Admission Course. In addition to these deductions, shown in Table I, \$1.416 million has been set aside by Council as the provision for final enrolment adjustment. This amount is intended to offset any discrepancy between the estimated weighted enrolment for 1982-83 and the final enrolment figures. The amount remaining for distribution by formula grants, after deductions for non-formula grants and enrolment adjustment, is \$1,091.126 million. It should be noted that the unused portion of the provision for final enrolment adjustment will also be distributed according to the funding formula.

Table I

**Availability of Funds for Distribution as Graduate
and Undergraduate Formula Grants for 1983-84**

Available for Council's Allocative Recommendation	\$1,108,650,000
Deduct:	
Northern Ontario Grants	\$ 4,672,000
Bilingualism Grants	9,251,000
Differentiation Grants	1,500,000
Bar Admission Course	685,000
Sub-Total	<u>\$16,108,000</u>
Provision for Final Enrolment Adjustment	1,416,000
Total Deductions	<u>17,524,000</u>
Available for distribution as Graduate and Undergraduate Formula Grants	<u><u>\$1,091,126,000</u></u>

Calculated on an amount of \$1,091.126 million available for distribution by formula grants, the value of the undergraduate Basic Income Unit (BIU) is \$3,855 and the graduate BIU is \$3,757. The undergraduate allocation is calculated in accordance with the undergraduate funding formula established in Advisory Memorandum 76-VII. The graduate BIU allocation is calculated according to the method specified in Advisory Memorandum 78-III. Council accordingly, *recommends to the Minister:*

OCUA 82-31

GRADUATE AND UNDERGRADUATE BIU VALUES FOR 1983-84

THAT for 1983-84, the graduate BIU value be not less than \$3,757 and the undergraduate BIU value be not less than \$3,855.

Tables II and III summarize the distribution of grants and Basic Operating Income based on the recommendations contained in this memorandum. Table II documents, by institution, the formula and non-formula grants recommended by Council for 1983-84, along with the grant totals for 1982-83 and the percentage increases in grants between the two years. Table III outlines the Basic Operating Income and non-formula grants of each institution for 1983-84 and the corresponding sum for these figures for 1982-83. Council notes that, while Basic Operating Income is a more accurate measure of expected revenue for the university system than the grants alone, the fee portion of Basic Operating Income may differ from actual revenue collected by the system. An explanation of the basis for this difference and its implications is found in the Appendix to Advisory Memorandum 78-V.

Table IV summarizes the distribution of total operating grants, including the \$12.0 million equipment and library grant. It outlines, by institution, the total grants recommended by Council for operating purposes, the Ministry of Colleges and Universities' estimated distribution of the equipment and library grant, total grants for 1983-84 and 1982-83, along with the percentage increases in grants between the two years.

B. C. Matthews
Chairman
February 18, 1983

Table II

Distribution of Grants Generated by Recommendations in Advisory Memorandum 82-XIV
(\$ Thousands)

	1983-84 Recommendations						1982-83 Total Grants	% Change
	Formula Grants	Northern Ontario Grants	Bilin- gualism Grants	Differen- tiation Grants	Special Grant & Final Enrolment Adjustment	Total Grants Recommended		
Brock	19,571					19,571	17,281	13.3
Carleton	53,751					53,751	50,701	6.0
Guelph	65,923					65,923	61,710	6.8
Lakehead	16,780	2,027				18,807	17,139	9.7
Laurentian	15,728	1,965	1,733			19,426	17,791	9.2
Algoma	1,170	185				1,355	1,318	2.8
Laurentian (Algoma)	203	20				223	145	53.8
Nipissing	2,747	340				3,087	2,579	19.7
Laurentian (Nipissing)	314	26				340	192	77.1
Hearst	296	102	85			483	480	0.6
Laurentian (Hearst)	81	7				88	24	226.7
McMaster	72,505					72,505	67,631	7.2
Ottawa	84,173		7,216			91,389	86,065	6.2
Queen's	75,784					75,784	70,917	6.9
Toronto	243,860					243,860	229,820	6.1
Trent	10,727			1,500		12,227	11,250	8.7
Waterloo	84,380					84,380	78,730	7.2
Western	113,827					113,827	105,087	8.3
Wilfrid Laurier	21,450					21,450	19,644	9.2
Windsor	46,990					46,990	43,450	8.1
York	90,453					90,453	80,858	12.1
Oise	15,230		217			15,230	14,710	3.5
Ryerson	48,185					48,185	45,486	5.9
OCA	6,887					6,887	6,449	6.8
Dominican	111					111	102	8.8
TOTAL	1,091,126	4,672	9,251	1,500		1,106,549	1,029,499	7.5
Bar Admission					685			
Final Enrolment Adjustment					1,416			

NOTES: 1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.

2. 1983-84 formula grants are calculated using an undergraduate BIU value of \$3,855, a graduate BIU value of \$3,757 and formula fee rates increased by 5.0% over their 1982-83 levels.

Distribution of Basic Operating Income and Grant Recommendations in Advisory Memorandum 82-XIV (\$ Thousands)

1983-84 Recommendations							1982-83 BOI Plus Northern, Bilingualism & Special Grants	% Change
	Basic Operating Income (BOI)	Northern Ontario Grants	Bilingualism Grants	Differentiation Grants	Special Grants & Final Enrollment Adjustment	BOI Plus Northern, Bilingualism, Differentiation & Special Grants		
Brook	23,603					23,603	20,853	13.2
Caledon	65,323					65,323	61,603	6.0
Guelph	76,680					76,680	71,765	6.8
Lakehead	20,283	2,027				22,310	20,335	9.7
Laurentian	19,433	1,965	1,733			23,131	21,225	9.0
Algoma	1,581	185				1,766	1,720	2.7
Laurentian (Algoma)	240	20				260	172	51.2
Nipissing	3,356	340				3,696	3,111	18.8
Laurentian (Nipissing)	372	26				398	229	73.8
Hearst	400	102	85			587	585	0.3
Laurentian (Hearst)	93	7				100	27	270.4
McMaster	84,767					84,767	79,084	7.2
Ottawa	99,337					106,553	100,361	6.2
Queen's	88,391		7,216			88,391	82,752	6.8
Toronto	282,812					282,812	266,507	6.1
Trent	13,439			1,500		14,939	13,782	8.4
Waterloo	100,519					100,519	93,805	7.2
Western	134,865					134,865	124,482	8.3
Wilfrid Laurier	26,572					26,572	24,359	9.1
Windsor	56,650					56,650	52,370	8.2
York	109,439		217			109,656	97,946	12.0
Olise	16,738					16,738	16,173	3.5
Ryerson	55,974					55,974	52,845	5.9
OCA	8,219					8,219	7,697	6.8
Dominican	145					145	134	8.2
TOTAL	1,289,231	4,672	9,251	1,500		1,304,654	1,213,922	7.5
Bar Admission					685			
Final Enrollment Adjustment					1,418			

Notes: 1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.

2. 1983-84 BOI is calculated using an undergraduate BIU value of \$3,855 and a graduate BIU value of \$3,757.

3. Bilingualism grants for affiliated institutions are included with the parent institution.

4. 1982-83 BOI is calculated using an undergraduate BIU value of \$3,669 and a graduate BIU value of \$3,576.

Table IV					
Distribution of Total Operating Grants for 1983-84 (\$ Thousands)					
	Total Grants Recommended	Equipment and Library Grant	1983-84 Total Grants	1982-83 Total Grants	% Change
Brock	19,571	201	19,772	17,281	14.4
Carleton	53,751	591	54,342	50,701	7.2
Guelph	65,923	719	66,642	61,710	8.0
Lakehead	18,807	200	19,007	17,139	10.9
Laurentian	19,426	206	19,632	17,791	10.3
Algoma	1,355	15	1,370	1,258	8.9
Laurentian (Algoma)	223	2	225	145	55.2
Nipissing	3,087	30	3,117	2,579	20.9
Laurentian (Nipissing)	340	3	343	192	78.6
Hearst	483	6	489	480	1.9
Laurentian (Hearst)	88		88	24	266.7
McMaster	72,505	788	73,293	67,631	8.4
Ottawa	91,389	1,000	92,389	86,065	7.3
Queen's	75,784	825	76,609	70,917	8.0
Toronto	243,860	2,685	246,545	229,820	7.3
Trent	12,227	131	12,358	11,250	9.8
Waterloo	84,380	915	85,295	78,730	8.3
Western	113,827	1,225	115,052	105,087	9.5
Wilfrid Laurier	21,450	230	21,680	19,644	10.4
Windsor	46,990	508	47,498	43,450	9.3
York	90,670	942	91,612	80,858	13.3
Oise	15,230	171	15,401	14,710	4.7
Ryerson	48,185	531	48,716	45,486	7.1
OCA	6,887	75	6,962	6,449	8.0
Dominican	111	1	112	102	9.8
TOTAL	1,106,549	12,000	1,118,549	1,029,499	8.6
Bar Admission	685				
Final Enrolment Adjustment	1,416				

Notes: 1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.

2. 1983-84 formula grants are calculated using an undergraduate BIU value of \$3,855, a graduate BIU value of \$3,757 and formula fee rates increased by 5.0% over their 1982-83 levels.

3. Bilingualism grants for affiliated institutions are included with the parent institutions.

4. 1982-83 grants were calculated using an undergraduate BIU of \$3,669 and a graduate BIU value of \$3,576.

5. The distribution of the Equipment and Library Grant was provided by the Ministry of Colleges and Universities.

82-XV Modification of the Operating Grants Formula

The use of an enrolment-sensitive formula to allocate operating grants among the provincially-supported universities, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College was instituted for the first time in 1967-68. In this memorandum, Council reviews the development of the present allocative formula and proposes certain further modifications.

FORMULA WEIGHTS

One basic aspect of the current formula involves the assignment of different weights to students on the basis of the programs in which they are enrolled. As the *Operating Formula Manual* states:

One full-time student enrolled for two terms of general degree work offered in a liberal arts program generates one basic income unit. Work in honours, professional and graduate programs is related on a rough cost basis to this basic core.¹

Some of the original weight categories were amended during the early years of the formula's existence. Since 1974-75, however, the weights have remained basically unchanged. In Council's opinion - although there may be some discrepancies between existing relative weights and relative costs - in the main "rough justice" is being done in terms of these relationships. Consequently, Council is not prepared to recommend any changes to the current weight categories.

EVOLUTION OF THE FORMULA

In the initial years of the formula's existence, operating grants were calculated on the basis of the current year's enrolment. That is, for a given year, a dollar value for the Basic Income Unit (BIU) was established and then the operating grant to each institution was determined by multiplying that value by the total number of BIUs claimed by the institution in that year. Since then, however, the formula has been modified in such a way as to reduce the direct relationship between enrolment and funding.

For funding in 1973-74, a change was made to a "slip-year" count of BIUs. Specifically, the operating grant for a given year was determined by multiplying the BIU value by the total number of BIUs in the institution in the immediately preceding year. This change was made so that institutions would know their operating grant income prior to the start of the fiscal year rather than having to wait until part-way through the year.

Undergraduate Funding

In Advisory Memorandum 75-II ("Formula Revision: The Question of Formula Sensitivity to Changes in Enrolment"), Council gave notice that it was "seriously contemplating options whereby formula funding might become less sensitive to enrolment changes..."² Subsequently, in Advisory Memorandum 75-VII, Council initiated "a gradual process whereby the formula that remains ongoing in the under graduate sector can acquire some reduced sensitivity to enrolment change". Council embarked on this course because, in its discussions with the institutions, Council had received

...the impression that fiscal stability sufficient to maintain service levels is accorded a measure of priority over growth

1. Ministry of Colleges and Universities, *Operating Formula Manual*, November, 1982, p. 16.

2. Ontario Council on University Affairs, *Second Annual Report*, 1975-76, p. 20.

and that accessibility of the university system to student members is hedged by a genuine concern for the quality of a student's university experience. In a context of limited financial resources, there is evident support for reduced sensitivity to enrolment changes...³

The first step in this process was taken for 1976-77. The "slip-year" approach was changed to a distribution in accordance with a two-year average in which one-third weight was assigned to BIUs reported in 1974-75 and a two-thirds weight to those reported in 1975-76. The second step was implemented for 1977-78 funding when undergraduate formula grants were distributed in accordance with a three-year average in which the number of BIUs reported in each of 1974-75, 1975-76 and 1976-77 were weighted equally. The two steps thus phased-in, over a two-year period, the use of a three-year average in order to reduce enrolment sensitivity.

The third (and final) step in the process, implemented for the 1978-79 fiscal year, was proposed by Council in Advisory Memorandum 76-VII ("Formula Sensitivity to Undergraduate Enrolment Change"). Noting that its "advice on a formula allocation mechanism should be consistent with the advice it offers on global funding of the university system", Council

...concluded that the most appropriate means is to have recourse to an annually moving average whose difference from a stated base could be discounted by a variable percentage that reflected the treatment accorded to the growth component of global funding.⁴

Thus for 1978-79 undergraduate formula grants were distributed in accordance with the number of undergraduate BIUs in a fixed base (established as the average number of BIUs in 1974-75, 1975-76 and 1976-77) plus 50% of the difference between the average number of BIUs in the fixed base and the average number of BIUs in a three-year moving average (for 1978-79: 1975-76, 1976-77 and 1977-78). For subsequent years the fixed base remained unchanged but the three-year moving average moved forward year by year.

Graduate Funding

In Advisory Memorandum 75-V ("Graduate Program Planning and Formula Revision"), Council noted that there was:

... a clear need to suspend the existing formula with respect to graduate work in 1976-77, and to maintain this suspension for a period of at least two and possibly three years, during which the entire basis for funding graduate work can be searchingly re-examined.⁵

Hence, Council recommended, in Advisory Memorandum 75-VII, that funding for graduate work in 1976-77 and 1977-78 "be allocated in accordance with the distribution of eligible graduate BIUs reported in 1975-76, these units to be designated during the period of suspension as Graduate Funding Units".⁶ One effect of this action was that graduate BIUs acquired a value that was only 97.5% of the value of undergraduate BIUs.

3. OCUA, *Second Annual Report*, p.p. 61-62.

4. Ontario Council on University Affairs, *Third Annual Report*, 1976-77, p.p. 51-52.

5. Ontario Council on University Affairs, *Second Annual Report*, 1975-76, p.p. 34-35.

6. *Ibid.*, p. 60.

Subsequently, in Advisory Memorandum 77-VII ("Graduate Program Planning and Funding"), Council responded to the institutions' "need to know what funding mechanism would come into effect at the end of the period of formula suspension in order for them to proceed with planning for the first graduate planning quinquennium".⁷ Council signalled its intention to recommend, beginning in 1979-80, as follows:

- a) *For Masters and graduate diploma programs*, "the formula currently in use for the funding of undergraduate programs" was to be employed, and
- b) *For Doctoral programs*, Council favoured, "a mechanism which employs a fixed base enrolment and a three-year moving average enrolment" but incorporates a "discount/stability factor" of two-thirds (rather than one-half).

The different discounting factor for doctoral programs was suggested in order to provide "a high level of stability designed, in part, to protect funding for research and scholarship".⁸

These proposed arrangements were formally recommended in Advisory Memorandum 78-III ("Graduate Program Planning and Funding") and the fixed base for graduate funding was established using the same three-year period (1974-75, 1975-76 and 1976-77) as was used for undergraduate funding.⁹

THE NEED FOR REVISION

The allocative formula described above has been used for allocating operating funds each year since 1978-79. Even in 1978, however, the effects of restricted funding were being felt. This led Council to comment, in *The Ontario University System: A Statement of Issues* (September, 1978), as follows:

How severely the individual institutions are affected by global financial constraints will depend, in part, upon the mechanism used to allocate funds among them. Any number of options is possible and most have been discussed repeatedly at considerable length in recent years.

Council is on record as stipulating that any allocative mechanism to be used in the Ontario university sector should provide: '(1) funding stability by preventing extreme fluctuations in institutional income, (2) funding predictability to assist institutions in their planning efforts, (3) equitable allocations among institutions, (4) accountability to the public by linking funds to some quantifiable factor, and finally a method that would be (5) simple to use, understandable and practical to implement' (Advisory Memorandum 77-VII). In its ongoing review of potential allocative mechanisms for undergraduate and graduate programs, Council has considered a great variety of options in light of these criteria. It believes that the formulae used for undergraduate allocations and those recommended for the graduate sector do indeed satisfy these five requirements far better than do any of the other mechanisms put forward from time to time...

Council can only reiterate that it does not wish to entertain another round of talks concerning allocative mechanisms unless new evidence is presented to show clearly that the criteria governing selection of a funding mechanism should be altered.¹⁰

7. Ontario Council on University Affairs, *Fourth Annual Report*, 1977-78, p. 58.

8. *Ibid.*, p.p. 61-62.

9. Ontario Council on University Affairs, *Fifth Annual Report*, 1978-79, p. 68.

10. *Ibid.*, p.p. 22-23.

Although Council did not actively consider further modifications to the allocative formula during the period 1978 through 1982, it did monitor the effectiveness of the formula and published, annually, various analyses of the effects of the formula on institutional funding.¹¹

In November 1980, the executive heads of the universities presented a brief to the Premier of Ontario which argued that

... in order to reconcile the publicly endorsed objectives for the universities of Ontario and the level of publicly approved funding, it will require either substantial increased funding or scaling down the objectives for the universities.¹²

In their brief, the executive heads noted that "the character of the funding formula is important because of the degree to which it provides incentives or disincentives for individual institutions to adjust their activities selectively..." Thus, if the condition of restricted funding were to continue, "the present funding formula must either be abandoned or converted to a much more flexible instrument of allocation".¹³

In response to the concerns expressed by the executive heads, the Minister of Colleges and Universities announced, on November 28, 1980, the formation of the Committee on the Future Role of Universities in Ontario (CFRUO). Following the issuance of a preliminary report in March, 1981 and a series of public hearings held during May of that year, the Committee submitted its final report on July 20, 1981.

In essence, CFRUO identified two mutually-exclusive approaches to the problems facing the Ontario university system. These were:

- a) "funding increases during the 1980s at a level that meets the costs of inflation and the cost of faculty and staff advancement",¹⁴ or
- b) "a major restructuring of the current university system to provide the best that can be obtained with the available funding".¹⁵

Concerning the allocative formula, CFRUO noted that: "Revising the way in which funds are allocated... is not a magical solution to inadequate funding". The Committee went on to state that:

At lower funding levels, however, the current formula is less and less likely to be appropriate. Increasingly, interventionist policies... may need to be brought into play... If funding levels continue well below inflation the current formula may have to be abandoned.¹⁶

Since the release of CFRUO's final report, two factors have caused Council to consider seriously possible modifications to the allocative formula. First, Government has rejected the two options put forward by CFRUO in favour of an undefined but resolutely preferred "third way". This alternative is to be "developed cooperatively through a collaborative mechanism established between the Minister and the universities".¹⁷ Second, during Council's 1982 Spring Hearings the vast majority of the institutions indicated their belief that changes to the allocative formula were necessary. Virtually all of the changes suggested involved measures to decrease even further the current

11. See *System on the Brink: A Financial Analysis of the Ontario University System 1979*, and *A Financial Analysis of the Ontario University System-1980, 1981 and 1982*.

12. R.L. Watts, et al, "The Situation of the Ontario Universities", November 5, 1980, p. 1.

13. *Ibid.*, p.p. 16-17.

14. CFRUO, *Report*, July 20, 1980, p. 47.

15. *Ibid.*, p. 51.

16. *Ibid.*, p. 26.

17. Statement by the Honourable B. Stephenson to the Standing Committee on Social Development of the Legislature of Ontario November 17, 1982.

formula's sensitivity to enrolment change (often in concert with special extra-formula "rationalization" or "incentive" grants).

CONSTRAINED FUNDING AND THE ALLOCATIVE FORMULA

On November 18, 1974, the then Minister of Colleges and Universities provided the following as Government's objectives in funding the university system: "to offset inflationary trends, to maintain or improve existing levels of service and to accommodate predicted enrolment increases".¹⁸ Since that time, Council has adopted these objectives (in slightly modified form) as its own and has annually submitted advice on global funding with these goals in mind.

On this basis, Council recommended funding levels for the university system for 1976-77 and 1977-78 which were accepted by Government. In responding to Advisory Memorandum 77-III ("Government Support for the University System in 1978-79"), however, the then Minister of Colleges and Universities stated:

Given the present economic climate both in the private and public sectors, I regret it is already apparent that we will be unable to provide the level of support to the university system in the coming year as recommended by Council. This is not to be taken as a reflection of the validity or the appropriateness of Council's costing exercise. It merely reflects the limits on the province's financial ability to meet demands in every area of service totally...¹⁹

Since then, Council has received, annually, similar reactions to its advice on appropriate funding for the university system. Thus for six successive years (1978-79 to 1983-84), Government funding for the universities has not met the funding objectives of offsetting inflation, maintaining existing levels of service and accommodating predicted enrolment increases.

In his budget statement of May 13, 1982, the Treasurer of Ontario said: "I now serve notice to all recipients of Provincial Funds that they should not count on future funding at or above inflation rates".²⁰ When combined with Government's rejection of the "full funding" option recommended by CFRUO, the message is clear. The current policy of fiscal restraint, and thus the underfunding of the Ontario university system, will be continuing throughout the foreseeable future. What is equally clear is that adjustments must be made in order to allow the universities to adapt to the financial environment within which they will be operating during the next few years.

Fiscal restraint, in and of itself, is a serious problem. Moreover, when it is combined with an enrolment-sensitive allocative formula, certain undesirable effects occur. As described above, the current allocative formula discounts (somewhat) enrolment growth and decline and thereby "buffers" institutions against enrolment change. Yet it still remains enrolment-sensitive to such an extent that it encourages institutions to increase enrolment regardless of the fact that Government funding for the system is constrained. Hence, institutions may tend to introduce new programs at both the graduate and undergraduate levels in order to expand their enrolment base and/or enrol more students in certain programs than facilities and staffing might normally allow (and thus place the quality of those programs at risk).

The combined effects of enrolment sensitivity and limited funding are such that:

1. With total global funding fixed annually, without any direct relationship to the number of BIUs in the system, an institution that increases its enrolment at a rate greater than the system average increases its share of total funding and thereby reduces the relative share of other institutions. Thus a sister institution that maintains its enrolment (or, indeed, increases its enrolment but at less than the system average) suffers a loss in its share

18. Statement by the Honourable J. Auld to the Legislature of Ontario, November 18, 1974.

19. Letter from the Honourable H. Parrott to Dr. W. C. Winegard, September 16, 1977.

20. 1982 Ontario Budget, Budget Statement, p. 17.

of funding. This would not be a serious problem if global funding for the total system were not constrained.

2. The annual increases in funding to the various institutions under an enrolment-sensitive allocative formula can vary widely. For 1982-83, for example, with an increase of 12.2% in Government operating grants, the range of grant increases to the institutions (excluding Laurentian's affiliated colleges) was from 9.8% (OISE) to 16.1% (Brock). This occurred not so much because those receiving the smaller increases had suffered a decline in enrolment but more because those receiving the greater funding increases had greater increases in enrolment. Again, such sensitivity to enrolment is acceptable only if total funding increases are such that even the smaller increases are sufficient to meet an institution's increases in costs.

Thus, some institutions will continue year after year to receive funding increases that are much less than the average increases for the system (which themselves may be less than inflation). Other institutions will receive more than the average increases and may, in fact, receive increases that exceed inflation because of the effect of relative enrolment change. The adverse impact of an enrolment-sensitive allocative formula under constrained funding will, therefore, be felt increasingly by certain institutions as the total number of students seeking university education declines. Such a decline may occur during the next several years.

A further problem with an enrolment-sensitive formula is that it contains an inherent disincentive for an institution either to "phase-out" programs that have become redundant or to rationalize its programs and enrolment levels. This is because if such action results in a decline in total enrolment, the institution's share of funding will decline - an important consideration when system funding is severely constrained.

PROPOSED MODIFICATIONS TO THE ALLOCATIVE FORMULA

Council begins by re-affirming its conviction that any allocative formula should provide:

- 1) funding stability by preventing extreme fluctuations in institutional income,
- 2) funding predictability to assist institutions in their planning efforts,
- 3) equitable allocations among institutions,
- 4) accountability to the public by linking funds to some quantifiable factor, and
- 5) a method that is simple to use, understandable and practical to implement.

In order to offset the perceived effects of an enrolment-sensitive allocative formula during a period of constrained funding, Council proposes that the current formula be made even more insensitive to enrolment change, within specified limits. By such action, Council intends:

- a) to eliminate the erosion of grant revenue accruing to "steady-state" institutions which results from enrolment increases in other institutions,
- b) to reduce the disparity in annual revenue increases among institutions,
- c) to reduce the likelihood of aggressive competition for enrolment among institutions in the face of the projected decline in the traditional university age-group population, and
- d) to retain some measure of enrolment sensitivity through the medium of tuition fee revenue.

At the same time, Council suggests that provision be made for a return to greater enrolment sensitivity when, and only when, Government support for the university system becomes adequate to meet the funding objectives for the system.

Constant Share Funding

To accomplish a), b) and c) above, Council proposes that the allocation of operating grants be made on the basis of a fixed, constant share of total BIUs (to be known as "Base Units"). This change to constant share funding should be phased-in over a three-year period in such a way that:

- a) the impact of institutional decisions on enrolment levels made under the terms of the current formula (i.e., up to and including 1982-83) is acknowledged, but
- b) the impact of subsequent enrolment decisions (i.e., those applicable to 1983-84 and beyond) is not acknowledged.

Such a procedure would ensure the equitable treatment of institutions during the period of implementation of the proposed modifications to the formula by acknowledging the "flow through" of current enrolment. In particular, acknowledging the "flow-through" is the only way to ensure that institutions, which made enrolment decisions in good faith under the current formula, will not be penalized retroactively by the introduction of the revised formula.

On this basis, the allocation of operating grants for 1983-84 funding will proceed under the terms of the current formula. For 1984-85, however, the number of funding BIUs for each institution will include the number each had in 1982-83, adjusted for changes in the numbers of continuing students (only) in 1983-84. Similarly, the number of funding BIUs for each institution for 1985-86 will include the number each had in 1983-84 adjusted for changes in the number of continuing students (only) in 1984-85 (excluding those who registered for the first time in 1983-84). The number of funding BIUs for each institution for 1985-86 will then remain fixed without further adjustment in subsequent years and will constitute the institution's Base Units.

Accordingly, Basic Operating Income (i.e., formula grants plus funding formula fees) will be allocated in 1984-85 and 1985-86 on the basis of the units determined above for the respective years. In 1986-87 and subsequent years, Basic Operating Income (BOI) will be allocated on the basis of the units calculated for 1985-86 without any further adjustment for continuing students.

Council also proposes that, in the process of arriving at a fixed number of units for each institution by 1985-86, the opportunity be taken to revert to a single unit value for both undergraduate and graduate BIUs. This should be done in a manner which does not alter the allocation of BOI or operating grants. It would be accomplished by determining the weighted average (for each institution) of the undergraduate BIU value and the graduate BIU value for 1984-85 and 1985-86 and then determining the number of BIUs for each institution so that, by using a single BIU value, the same BOI results.

Funding Floor

Council believes that, while some "room for rationalization" must be provided, an institution should not be able to reduce its enrolment below a certain level and still maintain the same level of funding. Hence, in order to identify the range within which an institution's enrolment will be allowed to change without resulting in a loss of share of BOI, Council proposes that a "funding floor" be defined. Specifically, "Formula Units" for each institution should be calculated annually by using a discounting formula similar in all respects to the current formula, except that the fixed base years would be 1980-81, 1981-82 and 1982-83 (instead of 1974-75, 1975-76 and 1976-77). The updating of the fixed base years is suggested in order to make the fixed base more closely related to current enrolment differences among the institutions.

Council proposes that the Formula Units for an institution be allowed to decline to a level of 95% of its Base Units (the "funding floor") without causing any change in its share of BOI (as determined by its Base Units). Thus there would be a range within which an institution's enrolment will be allowed to change without incurring a loss of share of BOI. If an institution's number of Formula Units falls more than 5% below its number of Base Units, it would be funded on the basis of its Formula Units plus 5% of its

Base Units. In this circumstance, there would be fewer BIUs for the system and the value of the BIU would, therefore, be increased. Thus, for a given institution:

- a) if Formula Units are greater than, or equal to, 95% of Base Units then funding would be determined by the Base Units, but
- b) if Formula Units are less than 95% of Base Units then funding would be determined by:

(Formula Units plus 5% of Base Units).

Because the method of calculating the Base Units during the phase-in period continues to be enrolment-sensitive, the funding floor (as described above) would not be applied during the phase-in period (i.e., not before the 1986-87 funding year).

In order to retain some measure of enrolment sensitivity through the medium of tuition fee revenue, Council further proposes that formula tuition fees related to the Formula Units in excess of an institution's Base Units be retained by the institution (i.e., that they not be included in any BOI calculation).

PERCEIVED EFFECTS OF THE MODIFIED FORMULA

Under Council's proposal, if an institution's enrolment declines (for whatever reason) and its Formula Units therefore decrease, it retains its share of BOI as long as its Formula Units are not less than 95% of its Base Units. Thus the institution may conduct effective rational academic planning without being concerned about possible funding losses.

If an institution's number of Formula Units is above 95% of its number of Base Units, it may increase its Formula Units by increasing its enrolment but will remain funded only on its Base Units. The institution would, however, benefit from the increased tuition fee revenue related to the enrolment increase. If an institution's enrolment declines so that its Formula Units are less than 95% of its Base Units, it will lose funding in accordance with the proposed new discounting formula.

If at some time in the future - as a result of a decline in total system enrolment - the total number of Formula Units in the system falls below the total number of Base Units in the system, Council could consider options such as the following:

1. That the allocation be made on the basis of the Formula Units in each institution. To make such a change in one year might cause undesirable discontinuities in income for some institutions, especially those that are at or below the limit of 95% of Base Units. Hence, Council could consider a "phase-in" period (or at least a warning period) of one or two years. In any event, by such action all institutions would be returned to an allocative formula that has enrolment sensitivity equal to that of the current allocative formula.
2. That the number of Base Units for each institution be reduced proportionately so that the number of total Base Units in the system is reduced below the total number of Formula Units for the system. Thus the allocation would continue to be on the Base Units.

Any move from constant share would be a specific recommendation made by Council which would be based on, among other factors, the level of operating grants made available at the time.

An Evaluation of the Proposed Modified Allocative Formula

The revised formula provides funding stability by preventing extreme fluctuations in institutional income. Indeed, it increases funding stability in that it removes the effect of enrolment change within specified limits on funding. It provides funding predictability. In fact, it increases an institution's ability to predict its funding since the institution needs to project only the global funding increase and its own enrolment. An institution would not need to project the enrolment of other institutions.

The revised formula provides for equitable allocations among institutions. It retains accountability to the public by linking funds to a quantifiable factor (i.e., Base Units or Formula Units). Although Council does acknowledge some measure of complexity during the initial years of adjustment of the fixed Base Units required to acknowledge "flow-through", thereafter the modified formula would be simple to use, understandable and practical to implement. It provides a new opportunity for institutions, individually and collectively, to plan and implement the changes in academic programs and enrolment that are deemed necessary and desirable in order to ensure that the system as a whole maintains an optimum breadth of programs and quality of education (given the funds available).

Accordingly, Council *recommends to the Minister:*

OCUA 82-32

*DISTRIBUTION MECHANISM WITH RESPECT TO FORMULA GRANTS
AND FORMULA TUITION FEES FOR IMPLEMENTATION FOR THE
FUNDING YEAR 1984-85.*

THAT, in accordance with the considerations noted in this memorandum, appropriate modifications to the allocative formula be announced for implementation beginning with the 1984-85 funding year.

Council notes that there are technical details involved in:

- (a) determining the flow-through of continuing students in 1983-84, 1984-85 and 1985-86,
- (b) the adjustment of the Base Units in 1983-84, 1984-85 and 1985-86 to replace the separate values for undergraduate BIUs and graduate BIUs with a single BIU value, and
- (c) the change in fixed base years in the formula for calculating Formula Units for each institution.

Council suggests that, when Recommendation 82-32 is accepted by the Minister, the Ministry circulate, to all institutions, a document outlining these technical details.

TUITION FEE POLICIES

Although tuition fee policies are not an integral part of the allocative formula, they have been discussed on various occasions as part of the discussions concerning formula revision. In Advisory Memorandum 79-IV ("Tuition Fee Policy for the Ontario University System"), Council made recommendations concerning tuition fees which led to the establishment of the current policies:

- a) formula tuition fee levels are set annually by Government and (usually) indexed to the increase in global funding, and
- b) institutions may, at their discretion, assess tuition fees which are 10% higher than the formula tuition fee level without incurring any loss of operating grant income.

No changes to existing tuition fee policies are necessary as a result of the modifications to the allocative formula per se. However, as was noted in Advisory Memorandum 79-IV, Council expects to review these policies during 1983-84 and may make further recommendations after its review has been completed.

Council does, however, wish to make explicit its intention that, under the modified allocative formula, tuition fee policies would continue to apply to all students in degree and diploma programs for which formula grants are normally provided by Government.

Council assumes that there will continue to be a differential tuition fee for visa students. Consistent with current practice, the difference between domestic tuition fee income and visa tuition fee income would be re-distributed by increasing the BIU value.

EXTRA-FORMULA GRANTS

Currently, there are extra-formula grants to certain institutions because of acknowledged extra costs for specified reasons. Thus there are Northern Grants, Bilingualism Grants and a Differentiation Grant (presently for Trent University only). Even under the revised formula, Council believes that extra-formula grants will continue to be required. The level of existing grants and the need for other kinds of extra-formula grants will continue to receive the attention of Council in the future.

Council has discussed the possible need for extra-formula grants to assist institutions to phase out certain programs. Under the existing formula, there may be some justification for such grants because phase-out of a program would involve the loss of enrolment and may result, therefore, in some loss of income in advance of the institution being able to reduce its costs. Under the revised formula, provided that its Formula Units are greater than its Base Units, an institution may phase out a program and not suffer a loss of income (other than the tuition fees relating to enrolment in that program). Hence, Council believes that extra-formula "phase-out" grants are not required at this time.

PROGRAM FUNDING APPROVAL

Under the current allocative formula, there is an incentive for an institution to propose a new program for funding approval because, if successful, the institution can increase the number of BIUs for which it is funded. Under the revised formula, that incentive is lacking if the institution has Formula Units in excess of 95% of its Base Units.

However, Council expects that no institution will offer a new program without having it approved by the processes set out currently, or in the future, for funding approval. This expectation is based on the institutions' stated concerns about quality and program duplication. The BIUs generated by new approved programs would be included in the Formula Units for the institution but may not generate more grant income immediately. They would, of course, generate additional grant income for the institution if its Formula Units were less than 95% of its Base of Units.

In order to encourage compliance with the procedures for graduate and undergraduate program approval, Council proposes that there be a sanction against an institution that registers students in a program that has not been approved for funding.

Accordingly, Council *recommends to the Minister:*

OCUA 82-33

**TUITION FEES ASSOCIATED WITH STUDENTS ENROLLED
IN PROGRAMS NOT APPROVED FOR FUNDING**

THAT, if a university offers a program which currently requires funding approval (without having received approval for funding), the tuition fees assessed the students in that program be deducted from the institution's operating grant.

If Recommendation 82-33 is accepted by the Minister, Council will undertake to assess the implications relating to the processes by which funding approval for new programs is granted. Further, Council will develop appropriate transitional arrangements for programs which would be affected retroactively by acceptance of the Recommendation.

A FINAL NOTE

Council wishes to emphasize that the modifications of the allocative formula recommended above will not solve the basic problem of constrained funding for the university system. Council does believe, however, that the modifications will encourage and assist the institutions to rationalize their programs and to take various other actions, individually and collectively, which will ensure that Ontario continues to have a university system that is responsive to societal needs and of the highest quality possible with the resources available.

Council, on the basis of consultations held by its Chairman with the executive heads, has good reason to believe that the revision it proposes has consensus support from the institutions. However, Council believes strongly that the institutions should have the opportunity to state to the Minister any explicit concerns that may remain on the basis of full knowledge of what Council is recommending and before any decision is made. For this reason, Council urges that the Minister make this Advisory Memorandum public upon receipt. It also asks that the Minister make every effort to time her consultations with the institutions so as to permit a Government decision on formula revision before 1983-84 enrolment decisions are made (i.e., by early May of 1983). In line with the above considerations, Council *recommends to the Minister*:

OCUA 82-34

RELEASE OF ADVISORY MEMORANDUM 82-XV

THAT the Minister release this Advisory Memorandum upon receipt.

B. C. Matthews
Chairman
February 18, 1983

OCUA Public Meetings, 1982 - 83

OCUA Public Meetings 1982-83

Date	Location of Meeting, and Institutions or Organizations
April 2, 1982	Queen's Park Ryerson Polytechnical Institution Ontario Federation of Students Ontario Institute for Studies in Education Council of Ontario Universities
April 16, 1982	Queen's Park University of Toronto Ontario Confederation of University Faculty Associations Confederation of University Staff Associations
April 30, 1982	Trent University Trent University University of Ottawa Carleton University Queen's University
May 7, 1982	Hearst University College Laurentian University Algoma University College Hearst University College Nipissing University College
May 14, 1982	Queen's Park Lakehead University York University McMaster University Brock University York University University of Guelph
June 4, 1982	University of Western Ontario University of Western Ontario University of Windsor University of Waterloo Wilfrid Laurier University
June 11, 1982	Queen's Park University of Toronto Faculty Association Ontario College of Art

**OCUA Recommendations and
Government Responses, 1982-83**

OCUA Recommendations and Government Responses, 1982-83

Recommendations Number	Title	Response
Advisory Memorandum 82-I		
82-1	Funding for the Master's Program in Teaching at McMaster University for 1982/83.	Accepted
82-2	Funding for the Doctoral Program in Veterinary Science at the University of Guelph for 1982-83.	Accepted
82-3	Funding for the Master's Program in Speech Pathology at the University of Toronto for 1982-83.	Accepted
Advisory Memorandum 82-II		
82-4	Minimum Admission Standards for the Funding Support of Students registered in the first year of Undergraduate Degree Programs.	Decision Pending
Advisory Memoranda 82-III and 82-IIIA		
82-5A	Government Operating Grants for 1983-84 to Meet the Costs of Council's Basic Objectives in Funding the Operation of Provincially-Assisted Universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.	Not Accepted
82-6	Formula Fee Rates for 1983-84 to meet the costs of Council's Basic Objectives	Not Accepted
82-7	Funding for 1983-84 for existing Bilingualism Programs and for the Bar Admission Course.	Not Accepted
82-8	Equipment and Library Funding for 1983-84	Accepted
82-9	Level of Support for Major Repairs Renovations and Replacement Projects in 1983-84.	Not Accepted
Advisory Memorandum 82-IV		
82-10	Ontario Graduate Scholarship Stipends, 1983-84.	Not Accepted
82-11	Institutional Awards to Universities without Doctoral Programs.	Accepted
82-12	Ontario Graduate Scholarships to Recent Landed Immigrants and Persons on Student Visas.	Accepted
82-13	Number of Ontario Graduate Scholarship Awards in 1983-84.	Accepted
Advisory Memorandum 82-V		
82-14	Restriction on University Deficits	Accepted
Advisory Memorandum 82-VI		
82-14A	Funding for the Doctoral Program in Social Demography at the University of Western Ontario for 1982-83.	Accepted

82-15	Funding for the Master's Program in Art History at Queen's University for 1982-83.	Accepted
82-16	Funding for the Master's Program in Geology at Lakehead University.	Not Accepted
Advisory Memorandum 82-VII		
82-17	Removal of the "Freeze" on new Undergraduate Programs.	Accepted
82-18	Policies and Procedures on Approval of New Undergraduate Programs.	Accepted
Advisory Memorandum 82-VIII		
82-19	Establishment of a New University in Northeastern Ontario.	Accepted
Advisory Memorandum 82-IX		
82-20	Delay of Proposed 1983-84 Increase in Fees for Visa Graduate Students.	Accepted
82-21	Fees Level for Visa Graduate Students Registering for Doctoral Degree following a Master's Degree.	Accepted
Advisory Memorandum 82-X		
82-23	Funding for the Master's Program in Symbolic Anthropology at the University of Western Ontario.	Accepted
Advisory Memorandum 82-XI		
82-24	Funding for Existing Degree Programs at Ryerson Polytechnical Institute.	Accepted
Advisory Memorandum 82-XII		
82-25	Compulsory Ancillary Fees and the Ontario Student Assistance Program.	Partially Accepted: (see Minister's letter of June 8, 1983, which follows this table.)
Advisory Memorandum 82-XIII		
82-26	Funding for the Undergraduate Program in Computer Systems Engineering at Carleton University.	Accepted
Advisory Memorandum 82-XIV		
82-27	Differentiation Grant for Trent University 1983-84.	Accepted
82-28	Northern Ontario Grants 1983-84	Accepted
82-29	Bilingualism Grants 1983-84	Accepted
82-30	Grant to the Law Society of Upper Canada on behalf of the Bar Admission Course.	Accepted
82-31	Graduate and Undergraduate BIU Values for 1983-84.	Accepted
Advisory Memorandum 82-XV		
82-32	Distribution Mechanism with Respect to Formula Grants and Formula Tuition Fees for implementation for the Funding Year 1984-85.	Not Accepted
82-33	Tuition Fees Associated with Students Enrolled in Programs not approved for Funding.	Not Accepted
82-34	Release of Advisory Memorandum 82-XV.	Accepted

Response to Advisory Memorandum 82-XII



Ministry
of
Education

Ministry of
Colleges and
Universities

Mowat Block
Queen's Park
Toronto, Ontario
M7A 1L2
416/965-5277

June 8, 1983

Dr. B.C. Matthews
Chairman
Ontario Council on University Affairs
7th Floor
700 Bay Street
Toronto, Ontario
M5G 1Z6

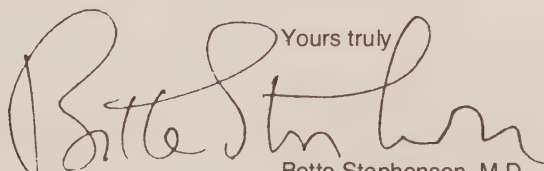
Dear Mr. Matthews:

I have reviewed Advisory Memorandum 82-XII, "Compulsory Ancillary Fees", and I am accepting the advice contained in Recommendation 82-25 for 1983-84.

In accepting Council's advice for the coming year, I am cognizant of the difficulties that are identified in the Memorandum in connection with the lack of a complete data base from which trend analysis could be undertaken. I am also mindful of Council's willingness to monitor developments in this area and to establish, through C.O.U., a standard data reporting format for use in future analyses. This activity is particularly important in light of Cabinet's concern for the impact of ancillary fees on the provincial policy of accessibility, and I would therefore ask that you proceed immediately to establish a data collection and monitoring system to this end.

I would ask that Council work towards the determination of an identifiable point at which the "unreasonable" fee level criterion identified in the Advisory Memorandum, comes into play. With this identified level in mind, it is my intent to ask staff to review the current open-ended OSAP policy vis-à-vis ancillary fees, and to give consideration to adjusting Ministry policy in a manner consistent with present practice for books and supplies, local travel, etc. As you know, OSAP support for these items is limited to an identified maximum.

I would appreciate receiving Council's advice on the level at which ancillary fees cease to be reasonable, by the end of 1983. This would allow staff to make any necessary policy adjustments in time for the 1984-85 year.

Yours truly

Bette Stephenson, M.D.
Minister

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1983-1984

**Ontario
Council on
University
Affairs**

**Tenth
Annual
Report**

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Ontario Council on University Affairs

**Tenth
Annual
Report
March 1, 1983
to
February 29, 1984**

700 Bay Street,
Seventh Floor,
Toronto, Ontario
M5G 1Z6

Telephone: (416) 965-5233

March, 1984

ISSN 0381-3843

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Letter of Transmittal



Ontario
Council on
University
Affairs

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7th Floor
700 Bay Street
Toronto, Ontario
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February 29th, 1984

The Honourable Bette Stephenson, M.D.,
Minister of Education, Colleges & Universities,
22nd Floor, Mowat Block,
Queen's Park,
Toronto,
Ontario.

Dear Dr. Stephenson,

I respectfully submit herewith the Tenth Annual Report of the Ontario Council on University Affairs, which covers the period from March 1st, 1983 to February 29th, 1984.

Yours sincerely,

A handwritten signature in dark ink, reading "Marnie Paikin". The signature is fluid and cursive, with the first name "Marnie" and the last name "Paikin" clearly distinguishable.

M. Paikin
Acting-Chairman

Members and Officers of the Ontario Council on University Affairs 1983-84

Charles N. Armstrong (1985)
Ottawa

Jean-Michel Beillard (1986)
Ottawa

Charles M. Carmichael (1984)
London

Jack Cole (1985)
Willowdale

Harry Eastman (1986)
Toronto

Matthew Gaasenbeek (1985)
Toronto

B. Lynne Golding (1986)
Brampton

Philip Gordon (1986)
Don Mills

Carlton Gyles (1984)
Guelph

Jill Harris (1986)
Kingston

Elaine Herzog (1986)
St. Catharines

Maureen Lacroix (1986)
Sudbury

Jean Millar (1985)
Sioux Lookout

Marnie Paikin (1984)*
Burlington

Marilyn Pilkington (1985)
Toronto

Alanna Snell (1984)
Toronto

Robert Taylor (1985)
Islington

William T. Townshend (1984)
Kitchener

Burton C. Matthews (1985)
Chairman**
Waterloo

M. Barry Yeates
Research Officer

Brian O'Riordan
Research Officer

J. Paul Stenton
Research Officer

Susan Pape
Administrative Assistant

*Marnie Paikin assumed the role of Acting-Chairman from October 1, 1983 to February 29, 1984.

**Burton C. Matthews resigned as Chairman, September 30, 1983.

(Members' terms expire on February 28 of the year indicated in parenthesis.)

Introduction

Introduction

The Tenth Annual Report of the Ontario Council on University Affairs covers the period March 1st, 1983 to February 29th, 1984 and contains the full text of all Advisory Memoranda issued during the year. As usual, the report also contains a list of the public meetings held by Council in 1983 and the response of the Government to the recommendations made by Council.

Council's Advisory Memoranda

83-I Funding Approval for Five New Undergraduate Quasi-Professional Programs

The recent acceptance by the Minister of Colleges and Universities of the recommendation in Advisory Memorandum 82-VII, "Undergraduate Program Approvals", established for the first time procedures for the funding approval of new quasi-professional and special programs. In that memorandum, Council indicated that, prior to arriving at a funding recommendation, some new program proposals would be circulated to the Council of Ontario Universities (COU) and subsequently circulated to the provincially-assisted institutions for comment. Council indicated, however, that in most instances it "would deal with the proposal directly". Council has received several requests for funding approval of certain quasi-professional programs which are most appropriately dealt with by employing the latter procedure. This procedure should be employed because: the requests involve relatively minor changes to, or extensions of, existing programs; require little, if any, new resources; and involve minimal increases in existing enrolment levels. The proposed new programs considered in this memorandum are ones which Council has chosen to deal with directly.

After careful consideration, Council is prepared to recommend that the following programs be deemed eligible for formula support:

- Honours B.A. in Music at Laurentian University
- Honours Bachelor of Commerce and Economics at McMaster University
- Pre-Service Teacher Education (B.Ed.), anglophone sector, including training program for the Senior Division level at the University of Ottawa
- Certificate programs in Community Recreation and Recreation Resource Management at the University of Ottawa

Laurentian University currently offers a minor concentration in Music. The Honours program is being established so that students from Northeastern Ontario will have access to a full-fledged music program in that area of the province. While some new courses will be established, no additional faculty or facilities will be required. The program will be offered through Huntington College in Sudbury, which for some time has been formally cooperating with Cambrian College in the offering of Music courses. This cooperation will continue. The program is designed to provide a middle ground between the interdisciplinary thrust of other university Music programs and a professional B.Mus. program. The program should be viewed as an extension of the present course offerings in Music at Laurentian.

McMaster University currently offers three-year ordinary and four-year honours degrees in Commerce and Economics. In offering a combined Commerce and Economics degree, McMaster is formalizing present arrangements whereby many Commerce students take several Economics courses as options. This is intended as an enhanced, high-quality program, as the students enrolled will have to meet the admission requirements for the Honours B.Com. degree and the standards required to maintain registration in the Honours program in Economics. The establishment of this program will not entail any new courses or additional faculty resources. There is no planned increase in total student enrolment as there are enrolment quotas in place for the Commerce programs.

The University of Ottawa has made some revisions in its Pre-Service Teacher Education (B.Ed.) program, anglophone sector. The Ministry of Education has

approved these changes¹, and Council concurs with that Ministry's view. No additional expenditures will occur as a result of the changes, and the program appears to enjoy community support and cooperation. The Senior Division has been operated as a pilot project since 1979. An increasing student demand for the program and the development of sufficient resources and teaching expertise have been noted by Council. Further, it is Council's understanding that Ottawa has committed itself not to move into more specialized areas, involving, for instance, the teaching of commercial and technological subjects.

Currently, the University of Ottawa offers an honours program in Recreationology. In addition, it now proposes to offer two certificate programs in the Recreationology area. The programs will be composed of courses already offered for degree credit in the honours program. There will, therefore, be only minimal additional expenditures. Faculty numbers will not have to increase as it is not expected that enrolment will increase significantly. The certificate students will be expected to maintain the same level of performance as those students in the Honours Recreationology program.

Accordingly, Council *recommends to the Minister:*

OCUA 83-1

FUNDING OF UNDERGRADUATE QUASI-PROFESSIONAL PROGRAMS BEGINNING IN 1984-85

THAT, the following programs be deemed eligible for formula support beginning in 1984-85, and that the eligible enrolment therein be included, from 1983-84 on, in the moving average for each institution:

Program	University
Music (B.A.)	Laurentian
Commerce and Economics (B.A.)	McMaster
Pre-Service Teacher Education, anglophone sector (B.Ed.)	Ottawa
Community Recreation (certificate)	Ottawa
Recreation Resource Management (certificate)	Ottawa

B. C. Matthews
Chairman
March 18, 1983

1. See attached Appendix A.

Appendix A



Ontario



Ministry of
Colleges and
Universities

18th Floor
Mowat Block
Queen's Park
Toronto, Ontario
M7A 1L2

January 13, 1983

Dr. L.G. Bordeleau
Associate Dean & Director
Teacher Education Section
Faculty of Education
University of Ottawa
Rene-Lamoureux Hall
351 Cumberland Street
Ottawa, Ontario
K1N 6N5

Dear Dr. Bordeleau:

The proposed changes in the pre-service program in the anglophone sector have been approved.

The proposed changes in the pre-service program in the francophone sector have been approved, in principle, however I am enclosing a memo from Mr. Millette of this Branch in which two concerns are raised. I feel that it is simply a matter of clarification and I will discuss them with you in the near future.

Yours sincerely,

Dorothy H.M. Dunn
Director
Teacher Education Branch

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(original letter signed by Dorothy H.M. Dunn)

83-II Graduate Program Funding – Language and Learning Problems (M.Ed.), York University and Management (Ph.D), Queen's University – New Graduate Programs Considered for Formula Funding

In this memorandum, Council offers advice on two of twenty-two new graduate programs which the Council of Ontario Universities (COU) recently advised had successfully passed academic appraisal. The two programs under consideration were referred to Council's Academic Advisory Committee for advice¹. The other twenty programs will be reviewed following receipt of individual requests from each university for formula funding approval of their respective programs.

Language and Learning Problems (M.Ed.), York University

York University's Master of Education program in Language and Learning Problems meets all of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII), and is consistent with the aims, objectives and existing strengths of that institution. Council examined carefully the question of whether this program should be funded even in a time of economic constraint. It also examined carefully York's request that York receive "accelerated funding of this programme equivalent to the full funding available to mature programmes (no discounting or slip year mechanisms)".²

Council believes that this program should be funded even in a time of economic constraint, as there is significant student and societal demand for it. Council cannot justify, however, recommending that the current allocative formula be suspended so that York could receive "full funding" for the students enrolled in the program. Institutions, before introducing new programs, should plan carefully in terms of the future financial viability of such programs – this should include an assessment of the match between enrolment levels and required resources.

Accordingly, Council *recommends to the Minister:*

OCUA 83-2

FUNDING FOR THE MASTER'S PROGRAM IN LANGUAGE AND LEARNING PROBLEMS AT YORK UNIVERSITY BEGINNING IN 1984-85

THAT the M.Ed. program in Language and Learning Problems at York University be deemed eligible for formula support beginning in 1984-85, and that eligible enrolment, from 1983-84 on, be included in the moving average for the university.

Management (Ph.D), Queen's University

The doctoral program in Management at Queen's University has fulfilled all of Council's funding criteria for new graduate programs and is consistent with the aims, objectives and existing strengths of the university. It is a program which, even in a time of economic constraint, is deserving of formula funding support, particularly because of the acute shortage of professors to teach in Business and Business related fields.

1. See attached appendices.

2. Submission by York University for Formula Funding of its new graduate program in Language and Learning Problems January 1983, p. 3.

Accordingly, Council *recommends to the Minister:*

OCUA 83-3

*FUNDING FOR THE DOCTORAL PROGRAM IN MANAGEMENT AT
QUEEN'S UNIVERSITY BEGINNING IN 1984-85*

THAT the Ph.D program in Management at Queen's University be deemed eligible for formula support beginning in 1984-85, and that eligible enrolment, from 1983-84 on, be included in the moving average for the university.

B. C. Matthews
Chairman
March 18, 1983

OCUA ACADEMIC ADVISORY COMMITTEE
Master's Program in Language and Learning Problems (M.Ed.),
York University – New Graduate Program Considered for Formula Funding

In January 1983, York University addressed to the Ontario Council on University Affairs a request for formula funding for its Master of Education program in Language and Learning Problems. Council referred this request to its Academic Advisory Committee for advice.

The Committee considered this program on two occasions, and, in accordance with its "Terms of Reference", examined the program in light of Council's four funding criteria for new graduate programs (Advisory Memorandum 77-VII). The Committee also considered the question of institutional appropriateness, and reviewed the following documents relating to the program:

- Brief from York University on the Master's Program in Language and Learning Problems, January 13, 1983,
- Council of Ontario Universities' (COU) 1973 Discipline Assessment of Education programs,
- Calendar descriptions of the Education programs at O.I.S.E, the University of Western Ontario and the University of Toronto.

The Committee's findings are summarized below:

1. NEED

In its Discipline Assessment Report on Education of 1973, COU's Advisory Committee on Academic Planning (ACAP) noted:

It is York's declared intention to develop its graduate programmes in Special Education. Until recently specialized training in this field was offered to teachers largely through courses offered by the Ministry. But now the Ministry has expressed a wish to delegate this important role to the universities, particularly to York, which appears determined to take this role seriously.¹

The Minister of Education, in a letter to the President of York University, commented:

I am pleased to note the commencement of this program, particularly in light of our recently enacted special education legislation. I recently received a letter from the Teachers' Federation, which emphasized the need for such programs in Ontario and it is encouraging to see that the university community is indeed responding to this need.²

The Committee is satisfied that this program will meet provincial and national needs.

2. UNIQUENESS

York University in its submission for funding noted that:

This is the only complete graduate programme in Ontario in Learning Disabilities – only two other universities have courses in learning disabilities (Western and OISE). In each instance they are isolated courses

1. *Perspectives and Plans for Graduate Studies, Education, 1973, Appendix A, COU, p.A-68.*

2. Letter from Dr. Bette Stephenson to Mr. Macdonald, dated May 28th, 1982.

rather than complete programmes focussed in this area. This is the only graduate program in Hearing Impairment in the province.³

Council's criterion with regard to program uniqueness has been satisfied.

3. APPRAISAL

The Committee finds that the program has passed a rigorous appraisal, at which time it was not found to require improvements.

4. ENROLMENT

Enrolment in the Master of Education in Language and Learning Problems program totalled seven full-time and fifteen part-time students at its inception in 1981-82, and in 1982-83 there were eight full-time and twenty-eight part-time students. Council's enrolment criterion has, therefore, been met.

5. AIMS, OBJECTIVES AND STRENGTHS

In considering the aims, objectives and strengths of the University, the Committee noted the following excerpt from the ACAP Discipline Assessment:

Clearly, strong commitments of support and co-operation have been received from the various Departments of the University. Also, there is a declared intention to add to the cadre of education specialists...The facilities available for the support of the proposed programmes are superior...Current library holdings, which include a full ERIC collection are impressive; budgetary allocations for further expansion are generous...Like undergraduate programmes, the proposed graduate programmes are to be linked in real and substantial ways, not only with other Departments of the University, but also with "the field"...York is located adjacent to a number of experimental and innovative education systems.⁴

The Committee also noted the University's B.Ed programs, and is satisfied that the University has overall strength in the fields of education and psychology.

6. FUNDING

The Committee, therefore, recommends to Council that:

the Master of Education program in Language and Learning Problems at York University should be recommended as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

March 4, 1983

³ Submission by York University for Formula Funding of its new graduate program in Language and Learning Problems, January 1983, p. 1.

⁴ *Perspectives and Plans for Graduate Studies, Education, 1973*, COU, pp. 67-68.

OCUA ACADEMIC ADVISORY COMMITTEE
Doctoral Program in Management (Ph.D), Queen's University
- New Graduate Program Considered for Formula Funding

In January of 1983, Queen's University formally requested that Council consider recommending for formula funding support its Ph.D program in Management. Council subsequently referred the program to this advisory committee. In Advisory Memorandum 78-III, Council postponed making any recommendation on any of three new doctoral programs in Business until such time as it had received a report from the Council of Ontario Universities (COU) "regarding the plans for doctoral studies in Business in Ontario and how these plans fit in with the objectives for the first quinquennium set out by Council in Advisory Memorandum 77-VII". COU was unable to submit such a report, and it was agreed, after the abandonment of the sectoral approach to graduate planning, that the individual institutions could forward their respective doctoral programs in Business directly to Council for consideration.

The Committee met on two occasions to consider the Queen's program in Management. It also considered the question of whether to review the Queen's program at the same time as the new programs at York and McMaster. The Committee decided against this approach since Queen's had so closely adhered to COU's recommendations concerning the development of their new program in Management. York and McMaster universities have not engaged in the kind of joint planning and development which was recommended concerning their programs. It would, therefore, appear appropriate to review these programs together, as they are so closely linked in COU's 1974 report. However, in the Committee's judgement, the issue of the program at Queen's is clearly separable from a review of the other two proposed programs.

The Committee considered the program in light of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII), and examined the question of whether the program was consistent with the "aims, objectives and existing strengths of the University". Several documents relating to the program were reviewed including:

- OCUA Advisory Memorandum 78-III,
- Calendar description of the program,
- sections of COU's annual compilation of graduate program macro-indicators,
- COU's 1974 Discipline Assessment of Administration, Business and Management Science,
- *Request for Formula Funding Support for the Ph.D Program in Management at Queen's University*, Queen's University, January 10th, 1983.

The Committee's findings with regard to the program are summarized below:

1. NEED

The Deans of Business Schools have estimated that, though there were some 200 vacancies for academic positions in Canadian Business Schools in 1981, only 20 students, nation-wide, enrolled in the existing funded programs, would graduate with Ph.Ds in Business in 1981.

With increasing enrolment in Business and Business-related subjects at the master's and undergraduate levels, the need for qualified academics is most urgent if the quality of the programs and the quality of the graduates of the programs are to be maintained. We are also convinced that there are a number of openings in

business and government for graduates of this type of program.

There is also an evident student demand for the program as there were 292 enquiries for 1982-83 and 39 formal applications for the program at Queen's.

2. UNIQUENESS

The Doctoral program in Business at Queen's is distinctive in that, as noted and recommended by the COU Discipline Assessment of 1974, the program is primarily research-oriented, with very strong, formal links to the Department of Economics. The program emphasizes the academic research aspect of Business rather than the management professional aspect. The Committee is satisfied that the program is sufficiently different from existing programs to meet Council's funding criterion of uniqueness.

3. APPRAISAL

The program passed a rigorous appraisal and no improvements were required at the time of appraisal.

4. ENROLMENT

In the current year, there are eighteen full-time students enrolled in the program and, therefore, Council's enrolment criterion has been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS

Queen's University has well-established research strengths in the Social Sciences in general, and specifically in Business. The university has followed a deliberate policy of recruiting faculty with "strong records and interests in research" in Business. The doctoral program in Management in the School of Business clearly builds upon established strengths in Business programs at the undergraduate and master's levels. There are formal links with the Department of Economics and also links with other research-oriented departments and institutes, such as Mathematics and Statistics, the Industrial Relations Centre, Psychology, Political Studies, and the Centre for Resource Studies.

The Committee believes that the new program is consistent with the aims, objectives and existing strengths of Queen's University.

6. FUNDING:

The Committee, therefore, recommends that:

the Queen's University Ph.D program in Management should be recommended as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

March 4, 1983

83-III The Ontario Graduate Scholarship Program, 1984-85

In this memorandum Council renders its advice for 1984-85 on the value of the Ontario Graduate Scholarship (OGS) stipend, the number of stipends to be awarded and associated matters.

Scholarship Eligibility

Council must once again bring to the attention of the Minister its long-standing position that the OGS competition:

...be open equally to Canadian citizens and to persons who had landed immigrant status as of the official annual closing date for applications, it being understood that this provision applies similarly to institutional nominees.¹

The current rules for the OGS program specify that an applicant for an award in the open or institutional categories must be a Canadian citizen or be a landed immigrant for at least twelve months prior to the deadline for submission of applications. Council believes that a more appropriate regulation would be one that simply required all applicants to be permanent residents as of the deadline for submission of applications. This is, for instance, the requirement for eligibility in the competition for postgraduate scholarships awarded by the Natural Sciences and Engineering Research Council (NSERC) and the Medical Research Council (MRC). Highly qualified applicants should not be excluded from the open competition or institutional awards competition simply because they have been landed immigrants for less than one year.

Accordingly, Council *recommends to the Minister:*

OCUA 83-4

ONTARIO GRADUATE SCHOLARSHIP PROGRAM ELIGIBILITY

THAT, the Ontario Graduate Scholarships be open equally to Canadian citizens and to persons who hold landed immigrant status as of the official annual closing date for applications, it being understood that this provision would apply similarly to institutional nominees.

Scholarship Stipend

In reply to Advisory Memorandum 82-IV, the Minister, on April 15, 1983, announced that the value of the OGS stipend for 1983-84 would increase from the 1982-83 level of \$2,090 per term to a level of \$2,195 per term. This represents a 5% increase in the value of the award.

NSERC increased the value of its award for 1983-84 by 5.7% and the Social Sciences and Humanities Research Council (SSHRC) increased the value of its fellowship awards for 1983-84 by 11.1% over the 1982-83 value. In the year that Council first submitted advice on the value of the OGS, 1974-75, the OGS stipend was approximately 76% of the value of an NSERC award and 85% of the value of a SSHRC award. By contrast, for 1983-84, the OGS stipend is 59.3% of the value of an NSERC award and 61.0% of the value of a SSHRC award.

In Table I, Council presents a comparison of the values of the OGS, NSERC and SSHRC awards since the inception of the OGS program. These comparisons are relevant and appropriate ones as the NSERC and SSHRC award programs are, to a

1. OCUA Recommendations 75-3, 76-2, 77-1, 78-4.

Table I

Comparative Scholarship Stipends			
	OGS	NSERC PGS Stipends ¹	SSHRC Stipends (1st & 2nd PhD)
1974-75	\$3,400 ²	\$ 4,500	\$ 4,000
1975-76	\$3,400 ²	\$ 5,000	\$ 5,000
1976-77	\$3,750	\$ 5,520	\$ 5,500
1977-78	\$4,350	\$ 6,000	\$ 6,000
1978-79	\$4,500	\$ 6,360	\$ 6,360
1979-80	\$4,800	\$ 7,000	\$ 6,750
1980-81	\$4,890	\$ 8,500	\$ 7,860
1981-82	\$5,700	\$ 9,350	\$ 8,760
1982-83	\$6,270	\$10,500	\$ 9,720
1983-84	\$6,585	\$11,100	\$10,800
% increase 1983-84 over 1974-75	93.7	146.6	170.0

¹ NSERC post-graduate scholarship (PGS) values are those that were in effect in the Fall of each academic year.

² Adjusted to take account of the integration of fees into the stipend in 1976-77.

large extent, the only other major sources of scholarship support for outstanding Ontario graduate students. Council continues to support the concept of the OGS as a prestigious academic award that should be making a significant contribution to the fostering of outstanding graduate scholarship in Ontario.

Table II

Comparative Scholarship Stipends (In Constant Dollars 1974-75 = 100.0)			
	OGS	NSERC PGS Stipends	SSHRC Stipends (1st & 2nd PhD)
1974-75	\$3,400	\$4,500	\$4,000
1975-76	\$3,094	\$4,550	\$4,550
1976-77	\$3,191	\$4,698	\$4,681
1977-78	\$3,409	\$4,702	\$4,702
1978-79	\$3,233	\$4,569	\$4,569
1979-80	\$3,158	\$4,605	\$4,441
1980-81	\$2,893	\$5,030	\$4,651
1981-82	\$3,010	\$4,937	\$4,625
1982-83	\$3,026	\$5,068	\$4,691
1983-84	\$2,960	\$4,989	\$4,854
% change 1983-84 over 1974-75	-12.9	+ 10.9	+ 21.4

Advisory Memorandum 82-IV contained an outline of the effects that inflation as measured by the Consumer Price Index, has had on the real dollar values of the OGS, NSERC and SSHRC awards. Table II is an updating of this information. It incorporates the actual rate of inflation for 1982-83 and an estimated rate of inflation for 1983-84. The table shows that given the 5% increase in the value of the OGS stipend there has been a decrease in the real value of the award over 1982-83. The 1983-84 value of the award in 1974-75 constant dollars is 12.9% below the actual 1974-75 value. By comparison, the real dollar values of the NSERC and SSHRC awards for 1983-84 are, respectively, 10.9% and 21.4% higher than their 1974-75 values.

Number of Awards

Table III provides a revised summary, by category, on the number and distribution of OGS awards.

Table III				
Number of OGS Awards (by category)				
	Open	Institutional	Visa/LI	Total
1974-75	850	150	(Quota) ¹	1,000
1975-76	850	150	(Quota) ¹	1,000
1976-77	850	150	(Quota) ¹	1,000
1977-78	850	45	50	945
1978-79	1,150	45	50	1,200
1979-80	1,095	45	60	1,200
1980-81	1,095	45	60	1,200
1981-82	910	40	50	1,000
1982-83	1,095	45	60	1,200
1983-84	1,095	45	60	1,200

1. Up to 10% of the awards could be allocated to landed immigrants or holders of student visas.

In deciding on the appropriate recommended value for the OGS stipend for 1984-85, Council has taken all of the above factors, comparisons and situations into account. As Council accords the highest priority to the maintenance of the value of the stipend, the real value of the award in 1984-85 should at least approximate the 1983-84 value. Council's projected inflation factor for 1984-85 is 5.5%, and, therefore, the stipend should be increased to \$6,947, or \$2,316 per term.

Accordingly, Council *recommends to the Minister:*

OCUA 83-5

ONTARIO GRADUATE SCHOLARSHIP STIPENDS 1984-85

THAT, in 1984-85, Ontario Graduate Scholarships carry a minimum stipend value of \$6,947, or \$2,316 per term.

For reasons first outlined in Advisory Memorandum 76-II, Council continues to advocate the allocation of institutional awards to those five universities not offering doctoral programs, but feels that there should be an increase in the number of awards in this category to enhance the quality of scholarship activity within these institutions.

Accordingly, Council *recommends to the Minister:*

OCUA 83-6

INSTITUTIONAL AWARDS TO UNIVERSITIES WITHOUT DOCTORAL PROGRAMS

THAT up to 55 scholarships (11 per university) be institutional awards in 1984-85 for those universities *without doctoral programs*.

Since 1977-78 a small portion of the OGS stipends have been reserved exclusively for landed immigrants who have resided in Ontario for less than a year and for persons on student visas. As indicated above, in last year's competition there were 44 applications for the 60 scholarships made available in this category, or a ratio of approximately one award for every 16 applicants. This compares with a ratio of one award for every 6 applicants in the Open and Institutional Competition category. Council believes that it would be desirable to decrease somewhat the differential between these two ratios, and accordingly, Council *recommends to the Minister:*

OCUA 83-7

ONTARIO GRADUATE SCHOLARSHIPS TO PERSONS ON STUDENT VISAS

THAT up to 70 scholarships be reserved for persons who at the time of application are student visa holders.

While Council places the highest priority on maintaining the real value of the stipend, it must draw attention to the fact that, despite substantial increases in applications in all fields, there has been no increase in the number of awards since 1978-79. Council, therefore, once again strongly urges that serious consideration be given to increasing the total number of awards available. Overall, at least 200 more awards could be offered. If the funds are not available for such an increase, then the number of awards should be determined in the manner illustrated in Table IV of this memorandum. In view of these considerations, Council requests that, for 1984-85, the increase in funding for the Ontario Graduate Scholarship program be within the percentage range displayed in Table IV.

Accordingly, Council *recommends to the Minister:*

OCUA 83-8

NUMBER OF ONTARIO GRADUATE SCHOLARSHIP AWARDS IN 1984-85

THAT, consistent with the priority attached by Council to a 1984-85 stipend value of \$6,947, the number of Ontario Graduate Scholarships available for:

- a) open competition,
- b) institutional awards at universities not having any doctoral programs,
and
- c) visa students

be scaled down as shown in Table IV so as to maintain the recommended value of the award at \$6,947.

B. C. Matthews
Chairman
June 24, 1983

Table IV

Number and Composition of OGS Awards for 1984-85 under Alternative Funding Increases

Percent Increases in Funding for 1984-85 over 1983-84 %	Total Awards Possible at a Stipend of \$2,316 per term. ¹ (No.)	Awards Available for Open Competition (No.)	Awards Available for Visa Students and Recent Landed Immigrants (No.)	Inst. Awards for Equal Dist. by Quota among Univ. with no Doctoral Programs (No.)
5.5 ²	1,200	1,095	60	45
6	1,205	1,100	60	45
7	1,217	1,111	61	46
8	1,228	1,121	61	46
9	1,240	1,132	62	46
10	1,251	1,142	62	47
11	1,263	1,153	63	47
12	1,274	1,162	64	48
13	1,285	1,173	64	48
14	1,297	1,183	65	49
15	1,308	1,194	65	49
16	1,319	1,204	66	49
17	1,331	1,214	67	50
18	1,342	1,225	67	50
19	1,354	1,235	68	51
20	1,365	1,246	68	51
21	1,376	1,256	68	52
22	1,388	1,266	69	53
23	1,400	1,275	70	55

1. Assuming that there is no change in the mix of the two-term and three-term awards.

2. The recommended stipend of \$6,947 for 1984-85 is approximately 5.5% greater than the stipend for 1983-84. Therefore, the OGS funding for 1984-85 would have to increase by approximately 5.5% to maintain the number of awards at 1,200, assuming that there is no change in the mix of two-term and three-term awards.

83-IV Government Support of the University System in 1984-85

The funding recommendations in this Memorandum are estimated to be the minimum necessary, given the increased enrolment projected for 1984-85, to allow the institutions to maintain the level of services provided in 1983-84. Council's recommendations covering its basic funding objectives do not include the amount (or a portion of the amount) that would be required to recoup the shortfall in funding accumulated during recent years and are based solely on the present (1983-84) levels of funding and services. Council feels strongly that there should be no further erosion of the level of services in 1984-85 and that the funding increase in 1984-85 be as recommended herein in order to ensure that this will be the case.

Government Support in Perspective

In *A Financial Analysis of the Ontario University System - 1982*, Council pointed out that during the period in which Council's funding advice has not been accepted (1978-79 to 1982-83), the universities' share of total Government budgetary expenditures (excluding debt servicing) declined by about 15%, while university enrolment increased by about 10%. For 1983-84, however, it is projected that the universities' share of total budgetary expenditure will increase. It has been announced that university funding will increase by 8.6% in 1983-84, while total Government budgetary expenditures (excluding debt servicing) are projected to increase by 6.1%.¹ It should be noted, however, that if the universities' share of total Government budgetary expenditures (excluding debt servicing) had been maintained at the 1977-78 level, the last year Council's funding advice was accepted, the universities would have received an additional \$195 million in operating grants in 1983-84 alone.

In Advisory Memorandum 82-XIV, Council estimated that Government support of the Ontario university system would fall \$8.9 million short of meeting Council's basic funding objectives for 1983-84. Council has recalculated the cost of its basic funding objectives using current estimates of inflation and enrolment change and the actual revenue available for 1983-84. Incorporated in these recalculations is a reduction in Council's estimates of the percentage increase in the Consumer Price Index and the Ontario University Non-Salary Price Index from 9.0% and 11.7% to 6.0% and 7.8% respectively, along with an increase of \$6.7 million in estimated formula fee revenue and reductions in estimated other fee revenue and other revenue of \$1.7 million and \$3.2 million respectively. Council now estimates that Government support will be about \$1.3 million short of the university system's basic funding requirements in 1983-84. Council is encouraged by the fact that Government came very close to meeting the basic funding requirements for 1983-84.²

Council does not use interprovincial comparisons as a basis for its funding advice. However, it does note that during the seven-year period 1974-75 to 1980-81 for which comparable data are available, Ontario dropped from seventh to tenth place among the provinces in terms of the level of provincial grants per full-time equivalent (FTE) student. Council has calculated that if Ontario universities had been funded at a level of operating grants per FTE student equal to the weighted average level of the other nine provinces, Government would have provided \$264 million more than it did in 1980-81.

1. 1.1% of this 8.6% increase in university operating grants represents a special one-time grant for equipment and library acquisitions.

2. In accordance with the Minister's acceptance of OCUA recommendation 79-12, revenue received from additional optional fees is not taken into consideration in this memorandum. See Appendix A for a description of the shortfall calculation.

Calculation of Funding Requirements for 1984-85

Having, in the preceding section, placed the existing level of government support in perspective, Council now proceeds to calculate the requirements for 1984-85.

a) Basic Funding Objectives for 1984-85

Council's funding objectives for 1984-85 are: (1) to offset inflationary trends, (2) to maintain levels of service, and (3) to adjust for predicted enrolment change.

b) Cost of Basic Funding Objectives for 1984-85

The method for costing Council's basic funding objectives for 1984-85 and the factors used to calculate the funds required are outlined below. Table I documents the results. The methodology is similar to that used in previous years.

i) The 1983-84 Base (Column 1)

Council's estimate of the financial requirements of the Ontario university system for 1984-85 is calculated by escalating the universities' expenditures in 1983-84 by Council's estimate of the increase in the costs of maintaining the same level of service. In calculating the 1983-84 expenditure base, it is assumed that expenditures in 1983-84 are equal to estimated revenues. As a result, the base does not incorporate the 1983-84 funding shortfall identified in Appendix A.

On this basis, Council estimates that the 1983-84 base of operating revenue and expenditures of all institutions (the fifteen provincially-assisted universities, the affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College) will be \$1,426.1 million. These base expenditures are apportioned according to their corresponding share in the universities' budgets: 80.7% for salaries and fringe benefits and 19.3% for non-salary items.

ii) Increases in Costs due to Inflation (Column 2)

Council has reviewed forecasts made by several competent authorities of the increase in the Consumer Price Index (CPI) for 1984-85. These projections ranged from 4.3% to 6.3%. Council has used the average of these projections, 5.5%, as its estimate of the increase in CPI.

Normally, Council has used its estimate of the increase in CPI as its salary inflation factor for the entire fiscal year in question. However, in revising its funding advice for 1983-84 to reflect the effects of the *Inflation Restraint Act, 1982* on university system costs (Advisory Memorandum 82-III A), Council adjusted its advice to take into account differences between the universities' fiscal year and salary contract periods. It was estimated that, on average, the 5% wage scale guideline imposed under the *Inflation Restraint Act, 1982* would be in effect for 10.5 months of the 1983-84 university fiscal year. The remaining 1.5 months were covered by existing 1982-83 salary contracts which overlapped into the 1983-84 fiscal year.

For the 1984-85 fiscal year, Council believes that, in order to be consistent with its 1983-84 funding advice, it must again take into account differences between the universities' fiscal year and salary contract period. Hence, Council's salary inflation factor of 5.4% is calculated by: (1) applying the 5% wage scale guideline for 1.5 months of the 1984-85 fiscal year, and (2) applying the 5.5% estimate of the increase in CPI for the remaining 10.5 months of the 1984-85 fiscal year. This 5.4% inflation factor is applied to the salaries and benefits portion of the base.³

For several years, increases in the prices of non-salary items purchased by universities have exceeded increases in CPI. The annual increase in the Ontario

³ This increase for salaries and benefits is estimated to be the amount required to maintain base salaries at 1983-84 levels. The increase contains no "catch-up" component.

Table I

The Cost of Basic Funding Objectives for 1984-85

(\$ million)

	1	2	3	4	5	6	7
	1983-84 Base	Inflationary Trend Costs	Service Level Costs	Efficiency/ Rationalization	Predicted Enrolment Change	Stabilization Factor	Cost of Basic Objectives
Expenditures							
Salaries and							
Fringe Benefits	1,150.9	62.6	18.2	(6.2)	22.1	(11.0)	1,236.6
Non-Salary	<u>275.2</u>	<u>19.0</u>	<u>0.0</u>	<u>(1.5)</u>	<u>5.3</u>	<u>(2.7)</u>	<u>295.3</u>
	<u>1,426.1</u>	<u>81.6</u>	<u>18.2</u>	<u>(7.7)</u>	<u>27.4</u>	<u>(13.7)</u>	<u>1,531.9</u>

Notes:

1. Percentage change factors for each column of the table are as follows:

	Salaries and Fringe Benefits	Non-Salary
Column 2:	+ 5.4%	+ 6.9%
Column 3:	+ 1.5%	0.0%
Column 4:	- 0.5%	- 0.5%
Column 5:	+ 1.8%	+ 1.8%
Column 6:	- 50.0% of Column 5	- 50.0% of Column 5

University Non-Salary Price Index (OUNSPI) averaged 25.3% higher than the annual increase in CPI during the period 1975-76 to 1981-82. Council's 1984-85 non-salary inflation factor is derived by increasing the projected 5.5% increase in CPI by the average differential between the increase in OUNSPI and CPI for the period cited. This yields a value of 6.9%.

(iii) *Increase in Costs of Maintaining Existing Service Levels (Column 3)*

In its advice each year Council has identified, and made provision for, costs of maintaining existing levels of service which are not related to inflation. In recent years, Council has made provision for only one component of these additional costs in its cost of basic objectives, the net cost of providing for progress-through-the-ranks (PTR) for faculty and non-academic staff. This net cost arises from the uneven age distribution of the faculty and non-faculty complement, where the number of people retiring (with higher salaries) and being replaced by younger people (with lower salaries), is not sufficient to provide the total funds required for the normal progress of continuing faculty and staff.

Prior to 1980-81, Council also included under its provision for existing service level costs an allowance for furniture and equipment replacement. Council has subsequently removed this non-salary service level costs factor from its funding model and has made a separate provision for the restoration of equipment and library collections. Council feels that it must continue to recommend a level of support which will, in time, lead to the restoration of the levels of service in non-salary expenditure areas to an appropriate level, and not recommend funds sufficient only to maintain the 1983-84 level (see section entitled *Equipment and Library Needs*).

It is becoming increasingly evident to Council, through its discussions with the universities at its Spring hearings, that the level of service provided by Ontario universities has been eroded in recent years and will be in further jeopardy in the near future. Measuring and costing such an erosion is extremely difficult. However, Council believes one telling indicator is student/faculty ratios which have increased by over 15% in the past four years from about 13.8:1 to 15.9:1. This increase in instruction load has tended to reduce the amount of time available for research and scholarly activities. Research is central to the mission of any university. Research projects carried out in Ontario universities have made important contributions to the economic and social well-being of Ontario and Canada.

Council's 1984-85 provision for meeting the costs of maintaining levels of service is an estimate of net cost of providing for PTR for faculty and staff. The faculty manpower flow model developed by the Council of Ontario Universities predicts that, for the existing age distribution of faculty, under normal salary conditions (i.e., without the wage restraint program), the net costs of providing for PTR in 1984-85 would be 1.7% of salaries and benefits. However, similar to the salary scale calculations outlined in (ii) above, this estimate applies to only the last 10.5 months of the 1984-85 fiscal year. The PTR costs in the first 1.5 months of the 1984-85 fiscal year are affected by the *Inflation Restraint Act, 1982*, which does not allow any increase in salaries to recognize PTR for faculty with salaries equal to or greater than \$35,000. If the faculty manpower flow model is adjusted to reflect this, on a 12-month basis, the estimated net cost of providing for faculty PTR in 1984-85 would be 0.7% of faculty salaries and benefits. Therefore, Council's estimate of net faculty PTR costs for 1984-85 of 1.4% is calculated by: (1) applying the -0.7% wage restraint faculty PTR cost estimate for 1.5 months of 1984-85 fiscal year; and (2) applying the 1.7% estimate of net faculty PTR costs for the remaining 10.5 months of 1984-85.

Council continues to use the faculty manpower flow model's estimate of net PTR costs (1.7%) as a proxy for the net costs of providing for career progress for non-academic staff. Data on costs of career progress for non-academic staff are not

sufficiently reliable to derive an acceptable estimate of net PTR costs for this group. In its revised 1983-84 funding advice (Advisory Memorandum 82-III A), Council noted that Government's wage restraint program does not limit PTR salary increases for the majority of non-academic staff. The savings experienced as a result of not having to provide PTR to the remaining non-academic staff, earning over \$35,000 in salary, are expected to be more than offset by the provision under the restraint legislation to provide individuals earning less than \$20,000 a salary scale increase of greater than 5%. Consequently, Council uses 1.7% as the cost of providing for career progress in the non-academic staff complement in 1984-85.

Applying the 1.4% PTR factor to that portion of total salary costs attributable to faculty (55%) and the 1.7% PTR factor to that portion attributable to non-academic staff (45%) results in an estimated net cost increase of 1.5% in 1984-85 for career progress of faculty and staff.

(iv) Cost Reduction due to Efficiency/Rationalization (Column 4)

For several years, Council has reduced its total funding estimate by a factor of 0.5% to 1.5% in the belief that institutions can reduce expenditures to some extent, while retaining levels of service by improved efficiency and rationalization of their program offerings. In preparing its 1984-85 funding advice, Council discussed removing this factor from its funding model. It has been argued for a number of years by the Council of Ontario Universities and others that any of the cost reductions that can be achieved by increasing efficiency/rationalization must be used to offset the backlog of major problems arising from prolonged underfunding. It is further argued that the effects of the efficiency/rationalization factor are compounded annually at a greater rate than intended by Council by ignoring the effects of previous years' shortfalls in funding on the base (used in Council's funding model). While Council acknowledges these arguments, it continues to believe that the university system must continue to search for ways to increase efficiency. Council is, therefore, continuing to use an efficiency/rationalization factor of -0.5% in calculating the funding requirements for 1984-85.

(v) Projected Increase in Enrolment (Column 5)

In 1982-83, total university enrolment increased by about 5.5% and is estimated by the Council of Ontario Universities' Committee on Enrolment Statistics and Projections to increase in 1983-84 by a further 2.7% to 3.8%. Council has considered this forecast together with: (1) the most recent data on the number of applications and applicants for first year admission in the Fall of 1983; (2) trends in the size of the cohort (18-24 years of age) from which universities will draw the majority of students; (3) recent trends in participation rates; and (4) recent data on retention rates and the consequent potential enrolment increases in upper years in 1984-85. On the basis of these data, Council estimates that enrolment in the university system in Ontario will increase by 1.8% in 1984-85 over 1983-84.

(vi) Funding Stabilization Factor (Column 6)

In order to dampen the effect of enrolment change in any one year on the level of funding, Council has, for a number of years, discounted by 50% the projected growth or decline in enrolment used in its funding advice. This discounting factor is applied to the projected enrolment increase in 1984-85.

(vii) Total Cost of Basic Funding Objectives (Column 7)

The total cost of basic funding objectives in Column 7 of Table 1 is the sum of the first six columns in the table. The resulting total of \$1,531.9 million is Council's estimate of the total cost of basic funding objectives for 1984-85 — a 7.4% increase over the 1983-84 estimated expenditure base.

Estimated Government Grants Required to meet the Basic Funding Objectives
Council estimates that the other income accruing to the university system in 1984-85, in addition to Government grants, will be:

- (1) from other sources, \$51.9 million, the same as the amount projected for 1983-84;
- (2) from fees other than tuition fees, \$12.8 million, the 1983-84 projection adjusted for the projected 1.8% increase in enrolment in 1984-85; and
- (3) from formula tuition fees, \$258.2 million, at 1983-84 rates including an adjustment for the predicted 1.8% increase in enrolment in 1984-85. Consistent with Council's advice on formula fee rates in Advisory Memorandum 79-IV, it is assumed that formula fee rates will increase by the same percentage as operating grants. Therefore, formula fee rates should be increased by 7.4% in 1984-85 yielding an additional \$19.1 million for a total of \$277.3 million in formula fee revenue in 1984-85.

As shown in Table II, Council estimates that of the total \$1,531.9 million required, \$1,189.9 million must be made available as Government operating grants to meet the costs of Council's basic funding objectives in 1984-85. This is a 7.4% increase over the amount provided for 1983-84.

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

OCUA 83-9

GOVERNMENT OPERATING GRANTS FOR 1984-85 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES IN FUNDING PROVINCIALLY-ASSISTED UNIVERSITIES AND THEIR AFFILIATED COLLEGES, RYERSON POLYTECHNICAL INSTITUTE, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION, THE ONTARIO COLLEGE OF ART AND DOMINICAN COLLEGE

THAT \$1,189.9 million in operating grants be made available in 1984-85 to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.

OCUA 83-10

FORMULA FEE RATES FOR 1984-85 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES

THAT formula fee rates for 1984-85 be increased by the same percentage as operating grants, namely 7.4%, to provide \$277.3 million in formula fee revenue to the provincially assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College, and that this increase in formula fee rates be fully reflected in the Ontario Student Assistance Program.

Estimated Costs of the Bar Admission Course

In previous years, Council's estimate of the costs of basic funding objectives does not include the cost of the grant-in-aid for the Bar Admission Course of the Law Society of Upper Canada. Council has consistently recommended that Government cover the cost of the grant-in-aid for the Bar Admission Course separately from its

Table II

**Cost to Government of Meeting Council's Basic Funding Objectives for
1984-85: Provincially-Assisted Universities, Affiliated Colleges, Ryerson, OISE,
OCA and Dominican College**
(\$ million)

1.	Cost of Basic Funding Objectives	1,531.9	
2.	Other Revenue	(51.9)	
3.	Other Fee Revenue	<u>(12.8)</u>	
4.	Total Formula Fees and Government Operating Grants required to meet Council's Basic Funding Objectives	<u>1,467.2</u>	
5.	Formula Fee Revenue at 1983-84 rates and the predicted 1984-85 level of enrolment	258.2	
6.	1983-84 Operating Grants	<u>1,108.0</u>	
7.	1983-84 Operating Grants and enrolment-adjusted Formula Fee Revenue (line 5 + line 6)	<u>1,366.2</u>	
8.	Percentage increase in Operating Grants and Formula Fee Revenue (line 4 - line 7) x 100 line 7		7.4%
9.	Additional Formula Fee Revenue generated by a 7.4% increase in formula fee rates	19.1	
10.	Total Formula Fee Revenue (line 5 + line 9)	275.3	
11.	Cost to Government of Basic Funding Objectives (line 6 increased by 7.4%)	<u>1,189.9</u>	

provision for Council's basic funding objectives. This recommendation has not been met. Council continues to believe that such a provision is necessary and desirable.

Accordingly, Council recommends to the Minister and Lieutenant-Governor in Council:

OCUA 83-11

FUNDING FOR 1984-85 FOR THE BAR ADMISSION COURSE

THAT \$0.74 million be provided in 1984-85 for a grant-in-aid for the Bar Admission Course.

Estimated Incremental Costs of Bilingualism

In Advisory Memorandum 77-VI, Council reported on the results of its study intended

...to identify the additional costs associated with bilingual activities, to outline a standard costing method that could be applied to all designated bilingual institutions, and to determine the amount of these costs.⁴

Using data provided by the bilingual institutions (University of Ottawa, Laurentian University, Glendon College, Hearst College, University of Sudbury and Saint Paul University) for 1976-77, Council's intention was that the results of the study

4. Ontario Council on University Affairs, *Fourth Annual Report, 1977-78*, p. 46.

...should form the basis for bilingualism grant allocation for a 4 to 6 year period. At the end of this period bilingualism costs would again be reviewed to determine the appropriate level and distribution of grants for a subsequent period.⁵

As a result of a phase-in of additional support for bilingualism costs, and a shortfall in Government support for those costs, during the period 1978-79 to 1980-81 total grants were allocated to institutions with one-half based on the distribution of the previous year's bilingualism grants and one-half based on the 1976-77 cost study. For 1981-82, however, Council completed the phasing in of the distribution of grants announced in Advisory Memorandum 77-VI and recommended the allocation of bilingualism grants according to the incremental costs identified by Council's cost study. The cost study results have formed the basis for Council's recommendations on bilingualism grants for 1982-83 and 1983-84.

In Advisory Memorandum 81-IX, Council noted its promise to review bilingualism costs after a period of four to six years (from the original 1976-77 cost study) and indicated that it intended "to conduct such a review in the upcoming year (1982-83) using 1981-82 cost data".⁶ Subsequently, Council circulated a draft methodology for the study and invited submissions from the six bilingual institutions on possible amendments. Then, in October 1982, a hearing was held between Council's Bilingualism Costs Committee and the representatives of the bilingual institutions to discuss the comments and suggestions received. A final methodology was then distributed in November of 1982 and institutions submitted relevant data in January of 1983.

During the past few months, Council has, in consultation with the bilingual institutions, been clarifying and studying the incremental costs of existing bilingualism programs. The preliminary results indicate that, in recent years, bilingualism grants have not been sufficient to meet these costs. Although Council's examination of the incremental costs is not yet complete, the gap between actual grants for 1983-84 and the level of support required (on the basis of the cost study) is at least \$4 million.

Accordingly, Council recommends to the *Minister and Lieutenant Governor in Council*:

OCUA 83-12

ADDITIONAL FUNDING FOR 1984-85 FOR EXISTING BILINGUALISM PROGRAMS

THAT \$4.0 million be provided in 1984-85 as an initial step in recognition of the documented incremental costs of existing bilingualism programs.

Equipment and Library Needs

For 1983-84, Council recommended that \$12.0 million be provided in recognition of the special need for equipment and library acquisitions. In her letter of February 15, 1983, the Minister of Colleges and Universities responded to this recommendation by announcing that \$12.0 million would be provided "as a special one-time grant toward institutional expenditures on equipment for use in teaching undergraduates and on library equipment and acquisitions". Council welcomes the provision of this special grant. However, Council feels that there are major ongoing needs in this area and that a "one-time grant" of the magnitude provided will be insufficient to meet these needs.

Council's funding provisions for non-salary items and, in particular, for expenditures on equipment and library acquisitions were not intended as one-time grants.

Ibid., p. 47.

Ontario Council on University Affairs, *Eighth Annual Report*, 1981-82, p. 121.

Indeed, as pointed out above, for a number of years (1976-77 to 1979-80), Council's funding advice included in the calculation of the cost of basic funding objectives a "service level costs" factor to reflect the annual costs of maintaining and replacing equipment and furniture. In Advisory Memorandum 79-II, Council decided to delete this factor from its determination of the costs of basic funding objectives for 1980-81 in favour of a separate funding recommendation for these expenditures as a first step toward providing sufficient funds to restore equipment and library collections. Since that time, Council has annually recommended separate funding for equipment and library acquisitions and, consequently, has not included a non-salary service level costs factor in its basic funding model.

Council's continued concern about the need to restore equipment and library collections has led it to recommend additional funds for 1984-85. In making this recommendation, Council must make it clear that the provision of this level of funding will not restore equipment inventories and library collections to adequate levels. It will, however, relieve some of the pressures experienced in this area of expenditures in recent years. Council will continue to monitor the situation, and hopes that in the near future it will find it appropriate to recommend a level of funding that provides only for current maintenance and replacement of existing equipment and library allocations (as it did for 1976-77 to 1979-80).

Accordingly, Council recommends to the Minister and Lieutenant-Governor in Council:

OCUA 83-13

EQUIPMENT AND LIBRARY FUNDING FOR 1984-85

THAT, in addition to the amounts recommended in 83-9, 83-10 and 83-11, \$12.0 million be provided in 1984-85 in recognition of the special need for equipment and library acquisitions.

Capital Assistance

On June 17, 1983, the Minister of Colleges and Universities announced that \$13.5 million will be provided in capital grants to Ontario universities for 1983-84. Aside from funds for carry-over projects, these funds "have been given almost exclusively to projects that will upgrade existing facilities to meet structural, fire, occupational health and safety code requirements" at the universities. Only about \$5.4 million of the above amount is allocated toward projects covered by Council's 1983-84 capital funding recommendation for new major repairs, renovations and replacement projects of \$25.3 million.

Council welcomes the Treasurer's announcement, in his May 10, 1983 Budget, of a new accelerated capital works program to be coordinated by the Board of Industrial Leadership and Development. This job initiative "is targetted primarily to regions of the province with higher levels of unemployment" and will provide \$17.2 million to the universities over two years.⁷ Of this amount \$9.0 million will be provided in 1983-84. However, the total combined allocation (\$22.5 million) from the BILD accelerated capital program and the regular Ministry of Colleges and Universities capital grants program falls short of Council's recommendation (\$25.3 million) which pertains only to new major repairs, renovations and replacement projects. Council reiterates its conviction that continued capital underfunding will necessitate unduly large outlays of capital assistance in the future, which over the long term will be more costly than the annual provision of a reasonable level of funds for major repairs, renovations and replacement.

Council continues to use a level of 1% of the value of the space inventory in the

7. Letter from the Honourable B. Stephenson to Presidents of provincially-assisted universities, June 17, 1983.

8. 1983 Ontario Budget, May 10, 1983, p. 10.

university system as the minimum necessary annually for major repairs, renovations and replacement projects. For 1984-85, the value of this space inventory has been adjusted for inflation by increasing last year's recommendation for capital assistance by 9.0%, the most recent increase in the Non-Residential Building Construction Price Index (1981 to 1982).

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

OCUA 83-14

LEVEL OF SUPPORT FOR MAJOR REPAIRS, RENOVATIONS AND REPLACEMENT PROJECTS IN 1984-85

THAT funds for capital assistance in 1984-85 be \$27.6 million for major repairs, renovations and replacement projects, plus any amount required for carry-overs and essential new construction.

Conclusion

While funding was increased in 1983-84, the increase fell short of that recommended by Council as being required to meet the basic funding objectives. The shortfall between university system revenues and needs thus continues to accumulate. Adequate funding must be provided if Ontario is to have a university system capable of adequately meeting the five goals enunciated by Council in *The Ontario University System: A Statement of Issues* and endorsed by Government. These goals are: (1) to develop a more educated populace; (2) to educate and train people for the professions; (3) to provide study at the highest intellectual level; (4) to conduct basic and applied research including development and evaluation; and (5) to provide service to the community. It is Council's conviction that the funds recommended in this memorandum are the minimum required to ensure that quality does not decline further and that the goals of the Ontario university system will be met in 1984-85 to at least the same extent that they are being met in 1983-84.

B. C. Matthews
Chairman
June 17, 1983

Revised calculation of Shortfall in Funding for 1983-84

The estimate of the basic funding requirements for 1983-84 contained in Advisory Memorandum 82-XIV have been revised to reflect up-dated estimates of CPI and enrolment change. The factor for non-salary items has been changed from 11.0% to 7.6%. Enrolment increase projections have been changed from 3.0% to 3.2%. As a result, the revised estimate of the cost of basic funding objectives in 1983-84 is \$1,427.4 million.

The estimate of total funds available to the Ontario university system has also been revised to reflect up-dated information on government grants and fees. Council now estimates that total fee income (formula tuition and other fees) will be \$266.3 million in 1983-84. Government operating grants will total \$1,108.0 million (not including the \$0.685 million for the grant-in-aid to the Bar Admission Course). Other revenue is estimated to be \$51.9 million in 1983-84. Thus, the total estimated revenue available to the system is \$1,426.1 million.

The revised estimate of the shortfall in revenue compared to the expenditures required to meet the basic funding objectives, is \$1.3 million (\$1,427.4 - \$1,426.1 million).

Appendix B

The 1983-84 Base

This appendix outlines the derivation of the 1983-84 base used in Council's funding exercise. For the purpose of this exercise, Council assumes that system expenditures in 1983-84 will equal total revenue, and estimates total operating revenue at \$1,426.1 million. Table A-1 provides details of 1983-84 revenues by type.

Formula and Non-Formula Grants

The figure \$1,108.0 million found in Table A-1 is derived by subtracting \$4.855 million in line-item grants and \$0.685 million to be used for the grant-in-aid to the Bar Admission Course from the \$1,113.5 million in operating grants announced by the Minister on February 15, 1983 and rounding to the nearest decimal point.

Formula and Other Fees

Council's funding base includes only that fee revenue which is derived from formula fees and other fees. Any revenue accruing to the universities as a result of the application of their discretionary tuition fee power has been excluded from the base. The 1983-84 formula fee revenue is estimated to equal \$253.68 million. This is calculated by applying the 1982-83 formula fee rates to 1982-83 enrolment and adjusting for the predicted 3.2% increase in enrolment for 1983-84. This figure also includes an estimate of supplementary foreign fee revenue and third-term graduate formula fees. The other fee revenue estimate of \$12.6 million was based on the universities' budget reports for 1983-84.

Other Revenue

Other revenue includes Ministry line-item grants of \$4.85 million and an estimated \$7.0 million in other sources of income. The latter amount was derived from the universities' reports on budgeted revenue for 1983-84.

Table A-1

University System Revenue
1983-84 Estimate
(\$ millions)

Formula and Non-Formula Grants*	1,108.0
Formula Fees	253.7
Other Fees	12.6
Other Revenue**	51.9
Total	<u><u>1,426.1</u></u>

* Excludes Ministry line-item grants and Bar Admission Course grant-in-aid.

** Includes Ministry line-item grants.

83-IVA Government Support of the University System in 1984-85 in Light of the Public Sector Prices and Compensation Review Act, 1983

On June 17, 1983, Council finalized its advice on the level of Government support required by the university system in 1984-85, and on June 28, 1983, submitted that advice to the Minister of Colleges and Universities. Since then, the Treasurer of Ontario has introduced legislation to continue public sector wage and price restraint for one more year. Certain provisions in this legislation have altered the financial environment for 1984-85 for the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College from that projected by Council in June, 1983.

On November 8, 1983, the Treasurer introduced Bill 111, *An Act to Provide for the Review of Prices and Compensation in the Public Sector and for an orderly Transition to the Resumption of full Collective Bargaining*. Under this Bill, the Inflation Restraint Board is to be charged with assessing:

...changes in compensation in the public sector to determine their conformity with such criteria as the Treasurer determines...and may, where in its opinion the pattern of compensation increases in the public sector is inconsistent with the criteria, recommend to the Treasurer that further appropriate measures be taken.¹

In his statement to the Legislature on November 8, 1983, the Treasurer stated:

...as the legislation requires, I will be advising the Board that the criterion against which it will assess compensation increases in the broadly-defined public sector should be 5 per cent.

In making its assessment, the Board will consider increases in total compensation. That is, it will consider increases in wages, benefits and perquisites and the cost of providing merit increases and increments.

Unlike the *Inflation Restraint Act, 1982* the restraint provisions outlined above are guidelines and not statutory regulations. As such, there is no legal sanction or mechanism in place to compel public sector groups to negotiate settlements which conform to the criteria outlined by the Treasurer. However, the Treasurer has also stated that:

... grants and transfers to municipalities, school boards, universities and other publicly-funded institutions, as well as allocations for our own civil servants, will provide for average compensation increases of up to 5 per cent for a group.²

In light of this announcement of Government policy, Council has revised its advice for the funding of salaries and fringe benefits in the Ontario university system. This revision, therefore, is submitted in anticipation of the passage of Bill 111 and the recommendations contained herein are conditional upon the Bill's passage.

1. Bill 111, *Public Sector Prices and Compensation Review Act, 1983*, Clause 4.(a), p. 6.

2. Statement by the Honourable L. Grossman, Treasurer of Ontario and Minister of Economics, to the Legislature (November 8, 1983).

In this Memorandum, Council takes account of the impact of the announced restraint program for 1984-85, re-calculates its advice on the amount of Government support required for 1984-85, and, in anticipation of the passage of Bill 111, makes new recommendations to replace Recommendation 83-9 and Recommendation 83-10 contained in Advisory Memorandum 83-IV.

Calculation of Funding Requirements for 1984-85

The Basic Funding Objectives for 1984-85 presented in Advisory Memorandum 83-IV remain unchanged. The cost of meeting the basic funding objectives for 1984-85, however, has been recalculated. The results of this are shown in Table I.

The 1983-84 Base (Column 1)

The 1983-84 Base remains unchanged at \$1,426.1 million.

Increases in Costs due to Inflation (Column 2)

The twelve months following the end of the "5 percent year" under the *Inflation Restraint Act, 1982* is defined in the Bill as a "restraint period" where any changes in compensation in the public sector must be filed with the Inflation Restraint Board for its assessment and review in light of the Treasurer's 5% average compensation guideline noted above. For most Ontario universities, this new restraint period will be in effect for the last 10 months of the 1984-85 fiscal year, while for the remainder it will be in effect for 12 months of the 1984-85 fiscal year. On average, the new restraint period will be in effect for 10.5 months of the 1984-85 fiscal year.

Council has re-estimated its 1984-85 salary inflation factor to reflect salary costs under the Government restraint program. In the first 1.5 months of the 1984-85 fiscal year, universities are required under the *Inflation Restraint Act, 1982* to give salary increases of 5%.³ For the remaining 10.5 months the 5% guideline on average salary compensation outlined by the Treasurer when he introduced the *Public Sector Compensation and Compensation Review Act, 1983* will apply. Therefore, Council's new salary inflation factor for the entire 1984-85 fiscal year is 5%.

For several years, increases in the prices of non-salary items purchased by universities have exceeded increases in the Consumer Price Index. The annual increase in the Ontario University Non-Salary Price Index (OUNSPI) averages 6.3% higher than the annual increase in the CPI during the period 1975-76 to 1981-82. After reviewing the most recent forecasts by several competent authorities, Council believes that there is no reason to change its June, 1983 estimate of the increase in CPI in 1984-85 of 5.5%. Council's 1984-85 non-salary inflation factor is derived by increasing the projected 5.5% increase in the CPI by the average differential between the increase in the OUNSPI and the CPI for the period cited. This yields a value of 6.9%.

Increase in Costs of Maintaining Existing Service Levels (Column 3)

Council pointed out in Advisory Memorandum 83-IV, the progress-through-the-ranks (PTR) costs in the first 1.5 months of the 1984-85 fiscal year are affected by the *Inflation Restraint Act, 1982*. This Act does not allow any increase in salaries to recognize PTR for individuals with salaries equal to or greater than \$35,000. If the faculty manpower flow model, developed by the Council of Ontario Universities, is trusted to reflect this, on an annual basis, the estimated net costs of providing for faculty PTR in 1984-85 would be -0.7% of faculty salaries and benefits. In Advisory Memorandum 83-IV, Council noted that the *Inflation Restraint Act, 1982* does not limit PTR salary increases for the majority of non-academic staff. The savings experienced as a result of not having to provide PTR to the remaining non-academic staff earning over \$35,000 in salary are expected to be more than offset by the

³See the *Inflation Restraint Act, 1982* for details on the special treatment of employees earning under \$20,000 per year.

provision under this restraint legislation to provide individuals earning less than \$20,000 a salary scale increase of greater than 5%. Consequently, Council uses -0.7% as the estimated annual cost of providing for career progress in the non-academic staff complement in the first 1.5 months of 1984-85. Applying the -0.7% PTR factor to that portion of total salary costs attributable to faculty (55%) and the -0.7% PTR factor to that portion attributable to non-academic staff (45%) results in an estimated net cost increase of 0.38% for career progress of faculty and staff for the first 1.5 months of the 1984-85 fiscal year.

The guidelines accompanying the *Public Sector Prices and Compensation Review Act, 1983* do not provide for additional funding of PTR costs during the new restraint period. The 5% compensation increase criterion outlined by the Treasurer includes the cost of providing merit increases and increments. Therefore, for the last 10.5 months of the 1984-85 fiscal year the estimated net cost of PTR (above that which is not included in the 5% salary scale provision found in Column 2 of Table I) is 0.0% of faculty and staff salaries and wages.

Applying the 0.38% PTR factor for 1.5 months and the 0.0% PTR factor for the remaining 10.5 months of the 1984-85 fiscal year results in an estimated net cost increase of 0.05% in 1984-85 for career progress of faculty and staff. This factor has been applied to the total of all salaries and fringe benefits expenditures.

d) *Cost Reduction due to Efficiency/Rationalization (Column 4)*

For several years, Council has reduced its total funding estimate by a factor of 0.5% to 1.5% in the belief that institutions can reduce expenditures to some extent, while maintaining levels of service by improved efficiency and rationalization of their program offerings. In Advisory Memorandum 83-IV, an efficiency/rationalization factor of 0.5% was used in calculating the funding requirements for 1984-85. In making this recommendation Council noted:

It has been argued for a number of years by the Council of Ontario Universities and others that any of the cost reductions that can be achieved by increasing efficiency/rationalization must be used to offset the backlog of major problems arising from prolonged underfunding. It is further argued that the effects of the efficiency/rationalization factor are compounded annually at a greater rate than intended by Council by ignoring the effects of previous years' shortfalls in funding on the base (used in Council's funding model).

Council remains committed to the belief that the university system must continue to search for ways to increase efficiency. However, Council believes that this goal will be accomplished for 1984-85 by the *Public Sector Prices and Compensation Act, 1983*. Consequently, it feels that it is appropriate to include a 0.0% factor for the second year of the Government-initiated restraint program - 1984-85. It should be noted that Council is not removing this factor from its funding model. It is merely taking into account the intentions and effects of the new restraint legislation on the university system's costs in 1984-85. Therefore, a factor of 0.0% is included in Column 4 of Table I.

e) *Projected Increase in Enrolment (Column 5)*

In Advisory Memorandum 83-IV, Council estimated that enrolment in the Ontario university system will increase by 1.8% in 1984-85 over 1983-84. However, this estimate assumed that the 1983-84 intake of new students would remain unchanged from the level found in 1982-83. Preliminary enrolment figures for 1983-84 indicate that first-year intake is up between 2% and 3% and that retention rates for continuing students are also up from the levels found in 1982-83. On the basis of this information, Council now estimates that the flow-through of continuing students in 1984-85 will be higher than first estimated. Council, therefore, has re-estimated its enrolment change factor for 1984-85. It now estimates that the total enrolment in the university system in Ontario will increase by 2.8%.

(f) *Funding Stabilization Factor (Column 6)*

As in Advisory Memorandum 83-IV: 50% of (e).

(g) *Total Cost of Basic Funding Objectives (Column 7)*

By adding the figures in Columns 1 to 6 inclusive, Council's revised estimate of the total cost of basic funding objectives in 1984-85 is \$1,524.3 million, a 6.9% increase over the 1983-84 estimated expenditure base.

II. Estimated Government Grants Required to Meet the Basic Funding Objectives

Council's estimate of other income accruing to the university system in 1984-85, in addition to Government grants and tuition fees is:

- (1) from other sources, \$51.9 million, the same as the amount projected for 1983-84; and
- (2) from fees other than tuition fees, \$13.0 million, the 1983-84 projection adjusted for the projected 2.8% increase in enrolment in 1984-85.

Formula tuition fees at 1983-84 rates and adjusted for the predicted 2.8% increase in enrolment in 1984-85 are estimated to equal \$260.8 million. Consistent with Council's advice on formula fee rates in Advisory Memorandum 79-IV, it is assumed that formula fee rates will increase by the same percentage as operating grants. Therefore, formula fee rates should be increased by 6.6% in 1984-85, yielding an additional \$17.3 million for a total of \$278.1 million in formula fee revenue in 1984-85.⁴

As shown in Table II, Council estimates that of the total \$1,524.3 million required, \$1,181.4 million must be made available as Government operating grants to meet the costs of Council's basic funding objectives in 1984-85. This is a 6.6% increase over the amount provided for 1983-84.

Accordingly, and conditional upon the passage of Bill 111, Council recommends to the Minister and Lieutenant-Governor in Council:

OCUA 83-9A

GOVERNMENT OPERATING GRANTS FOR 1984-85 TO MEET THE COST OF COUNCIL'S BASIC OBJECTIVES IN FUNDING PROVINCIALY-ASSISTED UNIVERSITIES AND THEIR AFFILIATED COLLEGES, RYERSON POLYTECHNICAL INSTITUTE, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION, THE ONTARIO COLLEGE OF ART AND DOMINICAN COLLEGE

THAT \$1,181.4 million in operating grants be made available in 1984-85 to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.

OCUA 83-10A

FORMULA FEE RATES FOR 1984-85 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES

THAT formula fee rates for 1984-85 be increased by the same percentage as operating grants, namely 6.6%, to provide \$278.1 million in formula fee revenue to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College, and that this increase in formula fee rates be fully reflected in the Ontario Student Assistance Program.

4. If, however, the tuition fee rate increase in 1984-85 is held to 5%, as it was under the *Inflation Restraint Act, 1982*, there would only be \$273.8 million available from tuition fee income. Consequently, Government operating grants would have to be increased by \$4.3 million or 0.4%.

Table II

**Cost to Government of Meeting Council's Basic Funding Objectives for
1984-85: Provincially-Assisted Universities, Affiliated Colleges, Ryerson, OISE,
OCA and Dominican College**
(\$ million)

1. Cost of Basic Funding Objectives	1,524.3	
2. Other Revenue	(51.9)	
3. Other Fee Revenue	(13.0)	
4. Total Formula Fees and Government Operating Grants required to meet Council's Basic Funding Objectives	<u>1,459.4</u>	
5. Formula Fee Revenue at 1983-84 rates and the predicted 1984-85 level of enrolment	260.8	
6. 1983-84 Operating Grants	<u>1,108.0</u>	
7. 1983-84 Operating Grants and enrolment-adjusted Formula Fee Revenue (line 5 + line 6)	<u>1,368.8</u>	
8. Percentage increase in Operating Grants and Formula Fee Revenue (line 4 - line 7) x 100 line 7		6.6%
9. Additional Formula Fee Revenue generated by a 6.6% increase in formula fee rates	17.3	
Total Formula Fee Revenue (line 5 + line 9)	278.1	
1. Cost to Government of Basic Funding Objectives (line 6 increased by 6.6%)	<u>1,181.4</u>	

Upon passage of Bill 111, these recommendations will supercede Recommendation 83-9 and Recommendation 83-10 in Advisory Memorandum 83-IV. Council reaffirms Recommendations 83-11, 83-12, 83-13 and 83-14 contained in Advisory Memorandum 83-IV.

Conclusion

In light of Government's restraint program, it is Council's conviction that the funding commended above is the minimum required if the goals of the Ontario university system are to be met in 1984-85 to the same extent that they are being met in 1983-84 and if quality is not to decline further. It should be noted that, assuming the present formula remains unchanged, the increase in basic funding recommended could result in an increase in Basic Income Unit values of 4.6%. Also, preliminary enrolment estimates for 1983-84 indicate to Council that under the present formula the range in grant increases to Ontario universities, assuming the above recommendations are accepted, is likely to be from 3.2% to 11.3%. Any grant increase less than that recommended by Council will leave some institutions in an extremely difficult position during the restraint period.

Paikin
Voting Chairman
December 9, 1983

83-V Funding for a New Public Administration Degree Program at Ryerson Polytechnical Institute

On March 8, 1983, in accordance with the procedures outlined in Advisory Memoranda 78-IV and 80-III, Ryerson Polytechnical Institute submitted, to Council, a new degree program in Public Administration for funding approval. Council has reviewed the material submitted by Ryerson and has concluded that the conditions for funding approval have been met. The program has been approved by Ryerson Academic Council with respect to academic quality; the program's financial viability has been attested to by the Institute's Board of Governors; and the societal need for the program has been certified by a Program Assessment Committee. These assurances are supported by the material required by Council.

Accordingly, Council *recommends to the Minister:*

OCUA 83-15

*FUNDING FOR A NEW PUBLIC ADMINISTRATION DEGREE PROGRAM
AT RYERSON POLYTECHNICAL INSTITUTE*

THAT the Bachelor of Applied Arts (Public Administration) program be deemed eligible for formula support beginning in 1984-85, and that eligible enrolment, from 1983-84 on, be included in the moving average for Ryerson Polytechnical Institute.

B. C. Matthews
Chairman
June 17, 1983

83-VI Post-Residency Fees

On January 7, 1983, the Minister of Colleges and Universities wrote to the Chairman of Council concerning her discussions with the Ontario Graduate Association (OGA) on the subject of "post-program fees", which she defined as fees "charged to graduate students who have completed their course work but not their theses". The Minister noted that the OGA had indicated that "post-program fees have recently been dramatically increased by some institutions and now vary widely across the system". She concluded by asking that Council "review the situation and advise... whether, in their view, any action on the part of the Ministry is necessary".

In response to the Minister's letter, Council invited the OGA and the Council of Ontario Universities (COU) to submit information, comments and advice concerning "post-residency fees".¹ Subsequently, Council discussed the OGA's written submission in a special hearing with that organization. Also, Council raised the matter of post-residency fees with a number of universities during its annual Spring hearings. In this memorandum, therefore, Council reviews the area of post-residency fees in general and the question of the possible need for action on the part of the Ministry in particular.

Post-Residency Fees: Background and Institutional and Governmental Policies

In graduate programs offered by Ontario universities, it is common practice to require all full-time students to complete stipulated minimum periods of residency study. The establishment of the length of the period and of the curriculum demands to be met during this time have traditionally been the prerogative of the individual institutions. There is, therefore, considerable variation among the universities' requirements for residency periods for degrees, and an exact and universal definition of residency and post-residency (and their associated fees) is problematic.

Examples of the great variation among universities and programs are, at the doctoral level, a nine-semester residency requirement for a Doctor of Veterinary Science degree at Guelph as opposed to a four-term minimum stipulation for a Ph.D. at Queen's. At the master's level, Trent has a one year residency requirement while York has a two-term requirement. Generally, however, the residency requirement entails a minimum of one year (2-3 terms) residency study at the master's level and two years (4-6 terms) residency study at the doctoral level. Consecutive registration throughout the period is usually mandatory. For most master's programs and all doctoral programs, students in the humanities and social sciences generally complete course requirements and, if applicable, study for comprehensive examinations during the specified residency period, with the thesis, paper or project being completed during the post-residency period. In the natural sciences and engineering, graduate students usually place heavy demands on institutional resources throughout their programs of study. In constructing fee schedules, all institutions differentiate between full-time and part-time status and most have established differential fees applicable only to post-residency students. This separate fee category allows most full-time master's and doctoral students who have satisfied residency requirements the benefit of a lower fee when registering after residency demands have been fulfilled.

Under the terms of the *Operating Formula Manual*, no distinction is made by the government between resident and post-residency students and the fees they are charged. The *Manual* states:

¹ Council has chosen to describe the fees in question as "post-residency" rather than "post-program" fees, since an incorrect connotation of the latter description could be that the student's formal program was complete before these fees were assessed when, in fact, only the residency component of the program will have been satisfied.

For all graduate students exempt from the foreign student fee, including full-time equivalents of part-time students, a formula fee (\$504 in 1983-84) will be deducted for each term of attendance.²

Thus, the formula fee for post-resident students is equal to the formula fee for resident students. The only limitation is that, as with undergraduate fees, actual graduate fees charged may not exceed 110% of the formula fee without being countered by a reduction in the operating grant.

Views Concerning Post-Residency Fees

Council's discussion of post-residency fees with the OGA yielded essentially the same arguments which this group had presented to the Minister: namely, that there had been considerable increases in these fees in the recent past, and that there was a great variation among post-residency fees charged by the universities. Further, the OGA stated that "post-residency fees are being greatly increased to compensate for government underfunding", and suggested that the situation was worsening and could eventually result in the abolition of these fees.³ The OGA recommended the development of guidelines to regulate post-residency fees in such a way that they not exceed 20% of regular graduate tuition fees. This proposal was justified on the grounds that post-residency students contribute far more to the universities' teaching and research resources and intellectual milieu than they draw from these resources.⁴

During Council's annual Spring hearings, the issue of post-residency fees was raised periodically by Council members. In response, academic administrators indicated that this was not currently a major campus issue, for while these fees had increased they remained considerably below formula fees and in most cases were well below regular graduate fees as well. COU chose not to submit advice or to address post-residency fees during their hearing, but did provide information on post-residency fee levels for 1980-81 to 1982-83 which has been used in the data accompanying this memorandum.

Post-Residency Fee Data

Table 1 provides information on graduate fees for regular and post-residency students from 1980-81 to 1983-84. In advance of suggesting interpretations for these data, Council wishes to note both the shortness of the historical period covered and the presence of a 5% limit on tuition fee increases for 1983-84 (resulting from the government's restraint program), which make it difficult to project trends. There is indeed considerable divergence among the fees charged to post-residency students by the institutions, some of which (McMaster and Windsor) offer no post-residency reduction at all. Also, post-residency fees did increase dramatically in some years at some institutions (such as Laurentian by 41.2% and Trent by 380% in 1981-82, and at Ottawa by 105.1%, Toronto by 53.2% and York by 72.1% in 1982-83). However, the dramatic increases cited occurred at institutions which had low post-residency fees at the outset, and only served to bring their fee levels in this area more in line with the system average. Further, the five institutions noted for large percentage increases in post-residency fee rates did not, in dollar terms, move into the range of the three institutions having traditionally the highest post-residency fees: McMaster, Windsor and Guelph. Also, there are instances where post-residency fee rates have declined (as at Guelph in 1982-83 and Carleton in 1983-84)⁵ and

2. Ministry of Colleges and Universities, *Operating Formula Manual*, p. 40.

3. Ontario Graduate Association, *Submission to the Ontario Council on University Affairs*, May 18, 1983, p. 3.

4. *Ibid.*, pp. 1-4.

5. OGA, *Submission*, p. 2.

One of the OGA's secondary arguments asserted that "rationalization", as evinced by the Trent/Queen's agreement and the resultant post-residency fee increase at Trent in 1981-82, could act as a cause of dramatic post-residency fee increases. Subsequently, however, Carleton's reduction of its 1983-84 post-residency fee to bring it in line with Ottawa's lower post-residency fee proves the reverse can also occur without external intervention.

increases at most institutions in most years have remained roughly equivalent to those of regular graduate student fees (see Table 2). A coefficient of variation test (see Table 1) indicates a continued narrowing of the variance between the average fee rate and the post-residency fees charged annually by individual universities.

Despite the incidence of divergent post-residency fee levels, one can draw the following basic conclusions, *inter alia*, from Table 1:

- (i) post-residency fees have remained considerably below the existing formula fee maximum;
- (ii) post-residency fees have remained, on average, at approximately half the level of regular graduate fees; and
- (iii) post-residency fees are showing an annual decline in their variation from the mean.

Assessment of Post-Residency Fees

As mentioned previously, the *Operating Formula Manual* does not make any distinction between residency and post-residency students. But in order for government to attempt to control the level of post-residency fees, it would have to establish a "formula post-residency fee" and, concomitantly, a fixed "residency period" to apply uniformly across the university system. This would not only intrude on institutional autonomy vis à vis academic term requirements for post-residency students, but also could, in creating a "ceiling" fee, establish a "floor" level, thus prompting post-residency fee increases at a faster rate and to higher levels than now exist.

Variation in post-residency fees among universities is typical throughout the period in question and it is clear that some institutions have sometimes raised fees in the post-residency area beyond the rate of other fee increments. It is noteworthy, however, that all institutions, in utilizing their autonomy to raise fees, have exercised self-restraint by foregoing permissible increments, and have maintained, on average, roughly the same ratio between post-residency and full-time fees over the period from 1980-81 and 1983-84. The low level of most post-residency fees in comparison with full-time fees suggests a general recognition by the universities of the services and intellectual stimulation provided by post-residency students as well as a tacit acknowledgment of their limited financial resources. Also, differing fee levels now reflect, in part, the institutions' individual assessments of resources used by their post-residency students.

On balance, Council believes that there is no need for action on the Ministry's part to control post-residency fees. Sharp fee increases have occurred primarily at institutions whose fees were very low, and the overall trend appears to be moving toward a ratio in which post-residency fees are approximately 50% of regular fees. In addition, action by the Ministry could serve to precipitate a move by all institutions to raise their post-residency fees nearer the level of regular (and formula) graduate fees.

Accordingly, Council *recommends to the Minister:*

OCUA 83-16
POST-RESIDENCY FEES

THAT no action by the Minister be taken regarding the existing tuition fee practices and policies as they affect post-residency students.

M. Paikin
Acting Chairman
November 18, 1983

Table 1
Full-Time Graduate Student Tuition Fees, Annual Regular and Post-Residency¹ Rates
Canadians and Landed Immigrants
1980-81 to 1983-84
(\$)

	1980-81			1981-82			1982-83			1983-84		
	Regular	Post-Residency		Regular	Post-Residency		Regular	Post-Residency		Regular	Post-Residency	
Formula Fees ²	1,164.00	1,164.00		1,281.00	1,281.00		1,440.00	1,440.00		1,512.00	1,512.00	
Brock (175)	880.00	180.00		1,000.00	210.00		1,125.00	240.00		1,181.25	252.00	
Carleton (1,177)	921.00	585.00		1,107.00	675.00		1,284.00	756.00		1,362.00	498.00	
Guelph (1,026)	886.50	886.50		1,008.00	1,008.00		1,161.00	870.00		1,218.00	870.00	
Lakehead (158)	850.00	335.00		990.00	390.00		1,155.00	390.00		1,220.00	470.00	
Laurentian (97)	870.00	225.00		990.00	360.00		1,140.00	450.00		1,197.00	474.00	
McMaster (1,524)	869.00	869.00		1,028.00	1,028.00		1,162.00	1,162.00		1,220.00	1,220.00	
Ottawa (1,780)	833.00	204.00		962.00	234.00		1,202.00	480.00		1,254.00	504.00	
Queen's (1,665)	870.00	435.00		960.00	480.00		1,080.00	540.00		1,134.00	567.00	
Toronto (5,101)	854.00	256.00		939.00	282.00		1,080.00	432.00		1,134.00	454.00	
Trent (44)	868.50	100.00		960.00	480.00		1,080.00	540.00		1,134.00	567.00	
Waterloo (1,586)	864.00	345.00		978.00	390.00		1,140.00	456.00		1,212.00	486.00	
Western (2,195)	868.50	357.00		977.00	402.00		1,131.00	474.00		1,187.00	498.00	
WLU (358)	847.00	168.00		935.00	180.00		1,075.00	207.00		1,130.00	216.00	
Windsor (789)	800.00	800.00		910.00	910.00		1,056.00	1,056.00		1,108.00	1,108.00	
York ³ (1,669)	915.00	300.00		1,035.00	340.00		1,371.00	585.00		1,440.00	615.00	
Mean	866.43	405.03		985.27	491.27		1,149.47	575.87		1,210.71	586.60	
% Increase in Mean				13.7%	21.3%		16.7%	17.2%		5.3%	1.9%	
Coefficient of Variation	3.3%	61.9%		4.7%	55.6%		7.1%	45.9%		7.4%	45.8%	
% Increase in CPI ⁴	11.2%	11.2%		12.1%	12.1%		10.1%	10.1%		7.5%	7.5%	

(1) Post-residency fees, where available, apply to most graduate programs (although some institutions have different fees for some programs) and are charged after the residency period (usually one academic year at the master's level and two academic years at the doctoral level).

(2) Formula fees indicated are annual, although they are actually charged on a per term basis at the following rates: 1980-81, \$388/term; 1981-82, \$427/term; 1982-83, \$480/term; 1983-84, \$504/term.

(3) Figures include "compulsory university charges" (corresponding to ancillary fees at other institutions) of approximately \$120 which are not separately identified.

(4) CPI percentages are fiscal year actuals for 1980-81 to 1982-83, and are projected for 1983-84.

Note: () = 1982-83 Full-time two term equivalent (including post-residency) graduate student enrolment.

Percent Change in Regular and Post-Residency Fee Rates
Canadians and Landed Immigrants
1981-82 to 1983-84
 (%)

	1981-82		1982-83		1983-84		1980-81 to 1983-84	
	Regular	Post-Residency	Regular	Post-Residency	Regular	Post-Residency	Regular	Post-Residency
Formula Fees	10.1	10.1	12.4	12.4	5.0	5.0	29.9	29.9
Brock	13.6	16.7	12.5	14.3	5.0	5.0	34.2	40.0
Carleton	20.2	15.4	16.0	12.0	6.1	-34.1	47.9	-14.9
Guelph	13.7	13.7	15.2	-13.7	4.9	0.0	37.4	-1.9
Lakehead	16.5	16.4	16.7	0.0	5.6	20.5	43.5	40.3
Laurentian	13.8	41.2	15.2	25.0	5.0	5.3	37.6	85.9
McMaster	18.3	18.3	13.0	13.0	5.0	5.0	40.4	40.4
Ottawa	15.5	14.7	24.9	105.1	4.3	5.0	50.5	147.1
Queen's	10.3	10.3	12.5	12.5	5.0	5.0	30.3	30.3
Toronto	10.0	10.2	15.0	53.2	5.0	5.1	32.8	77.3
Trent	10.5	380.0	12.5	12.5	5.0	5.0	30.6	467.0
Waterloo	13.2	13.0	16.6	16.9	6.3	6.6	40.3	40.9
Western	12.5	12.6	15.8	17.9	5.0	5.1	36.7	39.5
WLU	10.4	7.1	15.0	15.0	5.1	4.3	33.4	28.6
Windsor	13.8	13.8	16.0	16.0	4.9	4.9	38.5	38.5
York	13.1	13.3	32.5	72.1	5.0	5.1	57.4	105.0
Mean	13.7	21.3	16.7	17.2	5.3	1.9	39.7	44.8

Table 3

**Post-Residency Fee Rates as a Percentage of Regular Fees
Canadians and Landed Immigrants
1980-81 to 1983-84
(%)**

	1980-81	1981-82	1982-83	1983-84
Brock	20.5	21.0	21.3	21.3
Carleton	63.5	61.0	58.9	36.6
Guelph	100.0	100.0	74.9	71.4
Lakehead	39.4	39.4	33.8	38.5
Laurentian	29.3	36.4	39.5	39.6
McMaster	100.0	100.0	100.0	100.0
Ottawa	24.5	24.3	39.9	40.2
Queen's	50.0	50.0	50.0	50.0
Toronto	30.0	30.0	40.0	40.0
Trent	11.5	50.0	50.0	50.0
Waterloo	39.9	39.9	40.0	40.1
Western	41.1	41.1	41.9	42.0
WLU	19.8	19.3	19.3	19.1
Windsor	100.0	100.0	100.0	100.0
York	32.8	32.9	42.7	42.7
Mean	46.7	49.9	50.1	48.5

83-VII Differential Fees for Visa Graduate Students

In her letter of February 15, 1983, to the Chairman of Council, the Minister of Colleges and Universities accepted the recommendations made in Advisory Memorandum 82-IX, "Differential Fees for Visa Graduate Students", namely:

- i) that, the proposed further increase in fees for visa graduate students in 1983-84 be delayed for at least one year so that the impact of the higher fees for 1982-83 may be evaluated; and
- ii) that, visa students registering for a Doctoral degree immediately after having been registered in a Master's degree in the same discipline in the same university prior to September 1, 1982, not be assessed the fee increase announced for 1982-83 for newly-admitted students.¹

In light of the Minister's acceptance of the former recommendation, Council undertook to evaluate the impact on enrolment of the 1982-83 first-stage increase in visa graduate student fees for that year and for the current year, 1983-84. This memorandum, therefore, reviews the evidence concerning the effect of the 1982-83 increase, and recommends a future course of action with respect to the proposed second-stage fee increase and the provision of financial assistance for visa graduate students.

Visa Graduate Student Enrolment and Fee Data

Table 1 provides visa graduate student enrolment figures (full-time and part-time Fall head count) from 1981 to 1983 inclusive, and demonstrates that a major decrease has occurred over the period.² Between 1981 and 1983 total visa graduate enrolment is down by 577 students (-16.6%). New intake, comprising almost exclusively full-time students who are directly affected by the 1982-83 fee increase, has declined by 61 registrants (-40.8%).

Table II indicates tuition fees charged to new visa graduate students by the institutions in 1982-83 and 1983-84. While the Council of Ontario Universities (COU) estimates that only about 20% of those enrolled for 1983-84 are paying maximum fees, the group paying these higher fees will form an ever-increasing proportion of the visa graduate student population in the future. New visa graduate students, who are not exempt because of special status under Section 7.1 of the *Operating Formula Manual* or who are not "grandfathered" because of registering before September 1, 1982, will have no alternative but to pay full fees or to enrol elsewhere. In view of the enrolment decline which has occurred since 1981, even if tuition fees remain the same and no additional financial assistance is provided, the number of visa graduate students registering in future seems likely to decline further.

In its 1983 brief to Council on visa graduate students, COU indicates that it is "gravely concerned" because the Government's 1982-83 tuition fee increase affecting visa graduate students has produced a "substantial decline" in enrolment between 1981 and 1983. Therefore, COU has recommended, in the short term, an indefinite postponement of the planned second-stage fee increase for visa graduate students. In the longer term, COU recommended additional scholarship assistance

¹ Ontario Council on University Affairs, *Ninth Annual Report, 1982-83*, p. 123.

² Comparison over this three year period is more meaningful than from year to year, as the data on 1982 Fall enrolment were skewed by the registration in the Spring and Summer before September 1, 1982, of many visa students who sought to avoid the 1982-83 differential fee increase. Therefore, in 1982, a marked decline in enrolment as a result of the fee increase did not occur as might have been expected.

from Government by increasing the number of Ontario Graduate Scholarships presently allocated for foreign graduate students as a means to alleviate the financial burden resulting from the 1982-83 fee increase.³

Views on Visa Graduate Students and Differential Fees

Council's detailed views on the importance of visa graduate students to the Ontario university system were outlined last year in Advisory Memorandum 82-IX, "Differential Fees for Visa Graduate Students". Similar opinions were stated this year by the institutions and COU during Council's hearings with them. Also of interest is some new information on problems, policies and practices with regard to foreign graduate students in the United States and Britain.

Noting that foreign graduate students are "treated differently" from foreign undergraduates in the United States, COU explained that:

...few foreign graduate students...actually pay...high fees...Private universities typically provide tuition bursaries and many state universities provide fee waivers. In some states foreign graduate students who are awarded teaching and/or research assistantships are classified as state employees, which makes them eligible to pay the lower "in-state" tuition fees. While the mechanisms and practices vary from university to university and from state to state, the net effect is the same. Foreign graduate students registered in universities in the United States are seldom required to pay the high tuition fees listed in the university calendars.⁴

Recent British experience shows that their 1980 policy of implementing full-cost tuition fees for non-British students and of withdrawing institutional grants in aid of foreign students (except those from the European Economic Community) resulted in a decline of 25.7% in total overseas student enrolment between 1980 and 1982.⁵ In response to this decline, the British Government brought forward a major revision to this policy this year which is, as summarized by COU, that:

The principle of full-cost tuition fees was to be retained, but its effects would be mitigated by the establishment of an enlarged scholarship fund for foreign students over the next three years. The fund will be increased from £65 to £111 millions and this is expected to provide an additional 5000-6000 scholarships annually to be distributed among foreign students registered in higher and further education in Great Britain.⁶

COU goes on to comment:

The welcome change will enable British universities to meet their commitments to educate students from abroad as well as to attract first class international students, including Canadians. Enrolment of foreign students in British universities appears to be increasing this term.⁷

Council is aware that mechanisms used in other jurisdictions for dealing with visa graduate students are not always directly relevant to Ontario. In the United States, many universities are private and heavily endowed, whereas Ontario's university system is publicly funded. In the case of the United Kingdom, the unitary

3. Council of Ontario Universities, "Formula Fees for Visa Graduate Students", October, 1983, pp. 1-5.

4. *Ibid.*, p. 3.

5. Overseas Students Trust, *A Policy for Overseas Students*, May, 1982, p. 32.

This decrease includes both graduate and undergraduate students.

6. Council of Ontario Universities, "Formula Fees for Visa Graduate Students", October, 1983, p. 4.

7. *Ibid.*, p. 6.

system of government permits policy changes of an international nature which affect universities, such as those involving foreign students, to be carried out more readily than in Canada's federal system. Having assessed these examples and re-evaluated arguments put forward in Advisory Memorandum 82-IX, Council reaffirms its belief that providing university opportunities to visa graduate students is in the provincial and national interest.

Adjustment of Current Policy

1. Level of Fees

The purpose in establishing differential fees was reiterated by the Minister in her letter announcing the 1982-83 differential fee increase. She described it as a means of continuing to ensure that visa students would pay "a higher proportion...of the costs of their education."⁸ Council acknowledges and supports the need to control public expenditures. Nonetheless, as stated in Advisory Memorandum 82-IX, Council is concerned that a continuing trend of declining visa graduate enrolment will seriously damage Ontario's graduate and research enterprise.⁹

This concern, therefore, has led Council to address the level of differential fees for visa graduate students. Council has examined three options: i) fees could be raised in a second-stage increase, as originally planned before Council's advice on postponement for this year was approved by the Minister; ii) fees could be reduced to a lower level; or iii) fees could be indexed to the rate of change in domestic fees.

Any additional increase in differential fees will in all likelihood curb enrolment dramatically by eroding even further Ontario's competitive position vis-à-vis other jurisdictions. Therefore, the most outstanding visa graduate students would likely go elsewhere. On the other hand, Council recognizes Government's position that foreign graduate students should make a greater contribution towards the cost of their education than domestic graduate students. Thus, a "roll-back" in differential fees for visa graduate students would be unacceptable, not only because it would reduce institutional income, but also because it would fail to acknowledge the Government's concerns about educational cost recovery from foreign graduate students. Therefore, on balance, Council believes that fees for visa graduate students should be increased only at the rate at which domestic fees are adjusted.

Accordingly, Council *recommends to the Minister:*

OCUA 83-17

DIFFERENTIAL FEES FOR VISA GRADUATE STUDENTS

THAT, the proposed second-stage increase in differential fees for visa graduate students not be implemented.

2. Availability of Assistance

Council appreciates the longstanding desire of the Ontario university community to foster a diversified mix of visa graduate students from many countries, regions and socio-economic backgrounds. Encouraging such diversity helps to fulfill international responsibilities and enhances the graduate experience for foreigners and Canadians alike.¹⁰

While having recommended the maintenance of existing differential fee levels, Council believes selective assistance should be available to worthy, but also needy, visa graduate students to offset high costs which could prevent them from being attracted to Ontario universities. Council does not share the view of COU that this additional assistance should be provided by Government through funds allocated in

⁸ Letter from the Honourable B. Stephenson to Dr. W.C. Winegard, February 18, 1982, p. 2.

⁹ Ontario Council on University Affairs, *Ninth Annual Report*, 1982-83, p. 121.

¹⁰ *Ibid.*, pp. 120-121.

the form of more Ontario Graduate Scholarships designated solely for foreign graduate students. Instead, it seems appropriate that support should come from and be controlled by the institutions. Also, since the institutions have the most direct insight into the needs of their students, it should be a university prerogative to determine who should be supported and the level of that support.

Council believes that the graduate "foreign fee supplement (the excess foreign over normal program formula fees)"¹¹ collected by the universities as part of visa graduate student tuition fees should be available for institutions to use, if they wish, to support foreign graduate students who require financial assistance. Use of these funds would obviate the need for additional assistance from Government, and could be accomplished by changing the *Operating Formula Manual* to permit the graduate foreign fee supplement, currently limited to use for eligible operating expenses, to be used at the universities' discretion not only for that purpose but also for financial assistance for visa graduate students. The amount of these supplementary funds to be allocated for assistance would be determined independently by each university according to its assessment of the needs of its foreign graduate students. In 1982-83, for example, the maximum potential support available through this policy adjustment would have been approximately \$5.9 million.

Accordingly, Council recommends to the Minister:

OCUA 83-18

ASSISTANCE FOR VISA GRADUATE STUDENTS

THAT, the current restriction in the *Operating Formula Manual* limiting the usage of the graduate foreign fee supplement to eligible operating expenditures be altered to allow universities to use this income for financial assistance for visa graduate students as well as for eligible operating expenditures.

M. Paikin
Acting Chairman
December 9, 1983

11. Ministry of Colleges and Universities, *Operating Formula Manual*, p. 16.

Table I

**Visa Graduate Student Enrolment, Fall Head Count
1981-83**

	Visa Graduate Intake	Visa Graduate Enrolment	Total Graduate Enrolment ¹	% Visa
1981	1,374	3,466	16,117	21.5
1982	1,082	3,427	16,763	20.4
	(-21.2%)	(-1.1%)	(+4.0%)	
1983	813	2,889	17,434	16.6
	(-24.9%)	(-15.7%)	(+4.0%)	
Change 1981-1983	(-40.8%)	(-16.6%)	(+8.2%)	

¹Total graduate enrolment for 1981 and 1982 is taken from USIS final data for those years. The 1983 figure is estimated on the basis of the 1982 USIS final count increased by the 4% total graduate enrolment increase currently projected by COU.

²Bracketed percentages represent change from previous year(s).

³Source: Council of Ontario Universities and USIS 100104103.

Table II

Visa Graduate Student Tuition Fees,¹
Full-Time Rates per Term
1982-83 to 1983-84
 (\$)

Institution	1982-83 (Formula Fee = \$2,200/term)		1983-84 (Formula Fee = \$2,310/term)	
	Actual Fee	% of Formula Fee	Actual Fee	% of Formula Fee
Brock	1,667	(75.8)	1,750	(75.8)
Carleton	2,420	(110.0)	2,599	(112.5)
Guelph	2,100	(95.5)	2,205	(95.5)
Lakehead	2,200	(100.0)	2,310	(100.0)
Laurentian	2,100	(95.5)	2,310	(100.0)
McMaster	2,200	(100.0)	2,310	(100.0)
Ottawa	2,420	(110.0)	2,540	(110.0)
Queen's	1,667	(75.8)	1,925	(83.3)
Toronto	1,667	(75.8)	1,925	(83.3)
Trent	1,667	(75.8)	1,750	(75.8)
Waterloo	2,100	(95.5)	2,210	(95.7)
Western	2,200	(100.0)	2,310	(100.0)
WLU	2,078	(94.5)	2,183	(94.5)
Windsor	2,100	(95.5)	2,310	(100.0)
York	2,420	(110.0)	2,610	(100.0)
Average	2,067	(94.0)	2,216	(96.0)

(1) For non-exempt (Type B) foreign students. See Table III for explanation of visa graduate student categories.

Source: Ministry of Colleges and Universities.

Table III

**Graduate Student Formula Tuition Fees,
Full-Time Rates per Term
1976-77 to 1983-84
(\$)**

	Domestic	Visa	Differential ¹
1983-84			
PROGRAM ²	504.00	1,045	(+ 108.6%)
Category A	504.00	1,890	(+ 275.0%)
Category B	504.00	2,310	(+ 358.3%)
1982-83			
PROGRAM ²	480.00	995	(+ 108.6%)
Category A	480.00	1,350	(+ 183.0%)
Category B	480.00	2,200	(+ 361.2%)
1981-82	427.00	887	(+ 108.3%)
1980-81	388.00	806	(+ 108.3%)
1979-80	360.00	750	(+ 108.3%)
1978-79	342.50	750	(+ 119.0%)
1977-78	342.50	750	(+ 119.0%)
1976-77	292.50	292.50	(0.0%)

¹The differential is the amount by which the visa fee exceeds the domestic fee expressed as a percentage of the domestic fee.

²For 1982-83 and 1983-84 all "non-exempt" foreign students (those not excluded from paying differential fees under Section 7.1 of the *Operating Formula Manual*) are placed in one of three categories:

Category A: all non-exempt foreign students who registered in their program of study prior to September 1, 1982;

Category B: all non-exempt foreign students who registered after September 1, 1982 in a program with a formula weight of 1.5 or lower; and

Category C: all non-exempt foreign students who registered after September 1, 1982 in a program with a formula weight higher than 1.5.

Source: Ministry of Colleges and Universities, *Operating Formula Manual* (various years).

Table IV

**Visa Graduate Student Enrolment as a Percentage of Total Graduate
Enrolment, Full-Time and Part-Time Head Count
1977 to 1982**

	Full-Time Graduate			Part-Time Graduate		
	Visa	Total	% Visa	Visa	Total	% Visa
1982	3,362	16,763	(20.1)	393	11,860	(3.3)
1981	3,307	16,117	(20.5)	396	11,859	(3.3)
1980	2,849	15,262	(18.7)	392	12,078	(3.3)
1979	2,644	14,947	(17.7)	407	12,055	(3.4)
1978	2,754	15,414	(17.9)	404	12,122	(3.3)
1977	2,794	15,655	(17.9)	373	12,325	(3.0)

Note: Totals exclude Unknown and Not Reported.

Source: USIS 100104103-4

3-VIII Graduate Program Planning and Funding

Advisory Memorandum 77-VII, Council outlined its objectives for the first graduate planning quinquennium, 1979-80 to 1983-84. In that same memorandum, Council commended funding criteria for new graduate programs. As the first quinquennium ends on April 30, 1984, Council had intended to offer advice on criteria and objectives for the second quinquennium (1984-85 to 1988-89). However, the Minister, in her statement to the Legislature on December 15, 1983, announced the establishment of the "Commission on the Future Development of Universities of Ontario". The Commission has been asked to "produce a detailed overall plan to effect changes in the university system"¹, with one of its tasks being to examine the approval of new programs and the retirement of existing programs both at the undergraduate and graduate levels."²

Given this part of the Commission's mandate, Council deems it inappropriate, at this time, to offer long-term advice concerning graduate program approvals. Council does, however, consider it appropriate to render interim advice on this matter so that while the Commission is operating there will be no uncertainty within the system about the process of program approvals.

Council, through its annual Spring Hearings and a special hearing with the Council of Ontario Universities (COU), has consulted widely with university representatives on the changes that should be made in the existing objectives and criteria for graduate program planning. Many of the suggestions made during this consultative process have been incorporated in the revised interim objectives and criteria which are outlined below.

Interim Objectives

The objectives established for the *first* graduate planning quinquennium were:

- Recognition and protection of outstanding doctoral programs;
- Support of good quality graduate programs;
- Elimination of graduate programs of unsatisfactory quality;
- Prevention of further duplication of graduate programs;
- Recognition of high quality graduate programs in new fields of study for which there is a genuine need;
- Maintenance of a satisfactory amount of scholarship and research activity in the university system.³

Council believes that these objectives, emphasizing as they do high academic quality and system rationalization, are generally still appropriate. It is in the public interest that all graduate programs funded by Government achieve and maintain high academic standards – programs which fail to "measure up" should not receive public funding. As noted in Advisory Memorandum 77-VII, the "funds which might otherwise flow to these programs should, in a period of consolidation, be used to bolster areas of existing strength".⁴

Graduate enrolment in Ontario, on a system-wide basis, has increased by 4.5% 1982-83 over 1981-82, and by 10.6% from 1979-80, the year the present quinquennium began, to 1982-83 (see Table 1). As well, since 1979-80, there has been an overall increase in the number of graduate programs.

Statement by the Honourable Bette Stephenson, M.D., to the Legislature, December 15, 1983, p. 12.

Ibid., p. 18.

Ontario Council on University Affairs, A.M. 77-VII, *Fourth Annual Report, 1977-78*, p. 55.

Ibid., p. 55.

Table I

**Full-Time and Part-Time FTE Graduate Enrolment
by Discipline Sector
1979-80 to 1982-83**

		1979- 1980	1980- 1981	1981- 1982	1982- 1983	% Change 1979-80 to 1982-83
Education	FT	1,103	1,158	1,153	1,193	+ 8.2
	PT	998	983	925	938	- 6.0
Physical ¹	FT	182	213	140	131	- 28.0
Education	PT	26	23	13	17	- 34.6
Fine & Applied	FT	256	300	314	282	+ 10.2
Arts	PT	27	26	29	38	+ 40.7
Humanities &	FT	2,807	2,743	2,827	2,721	- 3.1
Related	PT	482	439	402	458	- 5.0
Social Sciences	FT	5,797	5,869	6,124	6,323	+ 9.1
& Related	PT	1,194	1,258	1,285	1,333	+ 11.6
Commerce & ¹	FT	1,786	1,895	1,947	2,061	+ 15.4
Business Related	PT	605	660	686	708	+ 17.0
Agriculture &	FT	1,080	1,157	1,177	1,278	+ 18.3
Biological Science	PT	57	64	63	65	+ 14.0
Engineering &	FT	1,426	1,521	1,563	1,854	+ 30.0
Applied Sciences	PT	317	313	301	332	+ 4.7
Engineering &	FT	1,356	1,443	1,477	1,766	+ 30.2
Engin. Science ¹	PT	312	309	297	325	+ 4.2
Health Professions	FT	925	932	1,026	1,090	+ 17.8
& Occupations	PT	114	106	109	133	+ 16.7
Mathematics &	FT	1,416	1,470	1,825	1,940	+ 37.0
Physical Sciences	PT	<u>135</u>	<u>136</u>	<u>134</u>	<u>147</u>	<u>+ 8.9</u>
Total ²	FT	14,810	15,150	16,009	16,681	+ 12.6
	PT	3,324	3,325	3,248	3,444	+ 3.6
Not Applicable &	FT	142	118	119	121	- 14.8
Not Reported	PT	135	131	126	124	- 8.2
TOTAL FTE		18,411	18,724	19,502	20,370	+ 10.6

1. These enrolment figures are included in the sector totals immediately above.

2. These figures do not include "Not Applicable" and "Not Reported" student numbers.

Source: USIS 110100113, 110100114.

For some time Council has been concerned about the amount of program duplication in the system. For instance, in Advisory Memorandum 77-VII, Council stated that it expected that "elimination of duplication among existing programs may become an explicitly stated objective for the second quinquennial period."⁵ The attendant public costs of maintaining unjustifiable duplication and, therefore, hindering institutional role differentiation cannot be defended, especially in a time of financial constraint when the resources to be deployed are limited. Council is convinced that institutions must be prepared to drop programs which duplicate other programs within the system unless:

- a) there is a demonstrable regional need for the program, or
- b) there is no evident excess capacity of places in other programs and there is a demand for graduates of the program.

At the same time, given the dynamic character of intellectual endeavour, Council expects that new programs in new fields of study will continue to be proposed. As long as these programs satisfy Council's criteria they should be funded.

Council continues to support the need to preserve and enhance high-quality research and scholarship. This is vitally important to the future industrial and cultural development of Ontario and Canada. Council has encouraged and continues to encourage the maintenance of a "satisfactory amount of scholarship and research activity" through its recommendations to Government on: the number and value of Ontario Graduate Scholarships; special grants for library and equipment funding; and new graduate programs to receive formula funding support.

While Council feels that the objectives for the first quinquennium remain basically sound, it also believes that some amendments to those objectives are in order. Council, therefore, proposes the following set of interim objectives for graduate planning:

- recognition and protection of outstanding and good quality doctoral and masters' programs;
- maintenance of a satisfactory level of scholarship and research activity in the university system;
- elimination of graduate programs of unsatisfactory quality;
- elimination of unjustifiable duplication among existing graduate programs;
- prevention of unjustifiable duplication by new graduate programs; and
- recognition of high quality graduate programs in new fields of study for which there is a genuine need and student demand.

Planning the Graduate Enterprise

Before recommending interim funding criteria for new graduate programs, Council wishes to review its role with respect to graduate program planning and to report on the outcome of its discussions with the Council of Ontario Universities (COU) concerning a "sectoral approach" to graduate planning.

Before Council was established in 1974 a process of graduate program planning was already in place, a process begun in 1966 with the publication of the report of the Commission to Study the Development of Graduate Programs in Ontario Universities (the "Spinks Report"). The Commission projected that in the near future there would be a substantial increase in graduate program enrolments and costs. Given the sizeable investment of public funds in the university system, such a development was expected to entail an increase in public expenditures. This led to government insistence on a *planned* development for any expansion of the graduate enterprise. It became clear that "considerations of the public interest dictated

⁵*Ibid.*, p. 56.

measures for the orderly accommodation of this enormous growth with full regard for fiscal responsibility and academic effectiveness''.⁶ In response to these Governmental and institutional concerns, COU established, in 1968, its Advisory Committee on Academic Planning (ACAP). Throughout its history, ACAP played a pivotal role in the planned development and assessment of graduate programs. In 1971, Government placed an embargo on the funding of new graduate programs. This action was taken because enrolment growth at the graduate level, from 1967 to 1970, reflected almost exactly predictions made in the "Spinks Report". When enrolment began to stabilize the embargo was gradually phased-out. For three years (1976-77, 1977-78 and 1978-79), graduate programs were funded by Government grants which were totally insensitive to changes in enrolment levels. Council has recommended this unusual suspension of the allocative formula for the following reasons:

First, Council adopts as its own the concern expressed by the Commission on Postsecondary Education in Ontario that the long run future of universities, be they large or small, is not necessarily best served by a formula arrangement that associates both teaching and research costs with numbers of graduate students. Second, Council, as it made evident in Advisory Memorandum 75-IV, is abundantly aware of the need to ensure that the development of new graduate programs not take place at the expense of the financial viability of the university system as a whole. Third, in that this need indicates a rationing in the distribution of existing programs to permit new program development, Council wishes to ensure that whatever steering effects in the present formula encourage program proliferation be neutralized. Fourth, Council deems it highly desirable to foster an atmosphere at the level of Presidents and Boards of Governors in which the forward planning of graduate work within individual institutions can be freed from short-run revenue considerations. Fifth and finally, Council wishes to foster an atmosphere in which planning can proceed at the system-wide level in like freedom from such considerations.

The above, rather than a concern over either the enrolment growth, which is currently moderate, or short-term economies to the Government, which will be marginal, are what have brought Council to advocate a suspension of the formula with respect to the funding of graduate work at this time.⁷

Council was hopeful that the university system could become self-regulating with regard to the graduate enterprise and, therefore, believed that this suspension would "allow institutions to make hard choices, including specifically the "possible reduction of established programs".⁸ COU later commented, in relation to this period of formula suspension, that it was unfortunate that "the observed effects were not great".⁹

In recommending, in Advisory Memorandum 77-VII, the establishment of the first graduate planning quinquennium, Council stressed that it expected the universities to commit themselves to Council's overall goals of institutional role differentiation and system rationalization:

6. Ontario Council on University Affairs, A.M. 75-IV, *Second Annual Report*, 1975-76, p. 29.

7. Ontario Council on University Affairs, A.M. 75-V, *Second Annual Report*, 1975-76, p. 35.

8. *Ibid.*, p. 36.

9. Council of Ontario Universities, Special Committee to Review Graduate Planning, *Discussion Paper*, June 1980, p. 6.

Over the years there has been much discussion of institutional role differentiation and rationalization. The new era of straitened resources and declining graduate enrolments and the accompanying need for system-wide consolidation should encourage institutions to identify and give priority to the areas of graduate endeavour in which strength exists and which are key to the planned institutional identity.

The success of the graduate planning enterprise during the first quinquennium will be primarily dependent upon the pursuit of excellence by institutions in their areas of strength, and, of system rationalization by the university collectivity on the basis of quality and need.¹⁰

During Council's annual public hearings in 1978, many institutions expressed the view that the Ontario university system lacked leadership in the area of graduate planning. Some institutions specifically requested that Council develop special incentives for institutions to close or merge graduate programs and to differentiate roles within the university system through internal program rationalization. Other institutions urged that Council be given executive authority by Government and that Council undertake to develop a system-wide graduate program plan.

Though the centralization of decision-making authority for post-secondary education had apparently worked well in certain jurisdictions, Council was convinced that it would be inappropriate in Ontario. Council recognized, however, that it had a responsibility to raise questions and to suggest strategies which would serve to guide the graduate enterprise, particularly with regard to institutional role differentiation. To this end, Council elaborated on the concept of institutional role differentiation in *The Ontario University System: A Statement of Issues*:

From its own perspective Council believes that considerable institutional differentiation already exists in Ontario. This is due in part to the way in which the universities evolved, and in part to the regulatory processes that have had a bearing on new program initiatives during the past decade. The current differentiation among institutions in Ontario occurs through a combination of disciplinary emphasis and breadth of instructional offerings. Some universities are known for particular disciplinary strengths, some for the breadth of professional schools and some for their regional or other character. Of course, there is duplication of programs in the system. To some extent this is necessitated by the nature of a university and the way in which Ontario's universities evolved as independent institutions. Council's concerns with unnecessary duplication at the graduate level have led it to encourage the system to examine and begin to resolve this problem during the first graduate planning quinquennium. Moreover, Council believes that there remains some scope for increased role differentiation among the universities based on disciplinary emphasis and level and range of instructional offerings.¹¹

Council also outlined its role as one which involved:

...developing and advising the Government on general policy issues as well as specific matters, promoting liaison, and at the same time keeping some distance, between Government and the universities, and maintaining a public interest overview of developments in Ontario universities.¹²

¹⁰ Ontario Council on University Affairs, A.M. 77-VII, *Fourth Annual Report*, 1977-78, p. 57.

¹¹ Ontario Council on University Affairs, "The Ontario University System: A Statement of Issues", *Fifth Annual Report*, 1978-79, p. 35.

¹² *Ibid.*, p. 42.

System Rationalization

In its paper entitled *System Rationalization: A Responsibility and an Opportunity* (September, 1980), Council emphasized the pressing need, especially in a time of economic constraint, for "institutional role differentiation" and "system rationalization".¹³ These system-wide objectives for all aspects of institutional planning were felt to be particularly important at the graduate level, where associated costs and attendant public expenditures are proportionately much greater than at the undergraduate level. Council summarized its position, as follows:

While university autonomy is desirable, there remains no option but for the universities to work together to preserve the high quality system that has developed in Ontario, especially given the constraints facing that system. Unnecessary duplication of graduate programs must be prevented and eliminated in order to protect existing strong programs and to ensure that opportunities exist for innovation. In addition, the universities must plan their graduate programs in relation to their strengths.¹⁴

Council endorsed program closures in discipline areas or sectors where universities did not have particular strength or where programs were of dubious quality or need. In order to maintain and enhance academic quality in the system, Council also endorsed other options, such as mandatory strengthening of programs, program mergers and the establishment of joint programs. All of these were intended to prevent or eliminate unjustifiable program duplication, strengthen the graduate enterprise on a system-wide basis and advance Council's broader goal of institutional role differentiation.

Council noted in *System Rationalization* that, although the institutions in the system were "already differentiated to a very great extent", it was necessary for each of them to recognize its own role as well as the roles of other universities within the system. Only in this way could the system develop with "each university channelling its initiatives in accordance with its role."¹⁵

The Sectoral Approach

In 1980, Council proposed, in *System Rationalization*, the sectoral approach to graduate program planning as a possible aid to role identification and recognition. Full-time equivalent (FTE) doctoral student enrolment was used as a preliminary, albeit imperfect, indicator of institutional strength. Institutions with at least 7.5% of the FTE doctoral enrolment in a given discipline sector were deemed to have "major involvement" in that sector, those with less than 7.5% were said to have "limited involvement", and those without enrolment in the sector were designated as having "no involvement".

New programs proposed for funding by an institution with major involvement in the sector in which the program was located were to be subject to only one of Council's funding criteria – that being that the programs would have to be appraised positively by COU. In the case of new programs in a sector where an institution had limited involvement, all of Council's funding criteria were to be satisfied. Where an institution did not have any enrolment in a sector, Council indicated it "would expect that the institution would not propose the introduction of any programs."¹⁶

Council recognized that enrolment was but one indicator of strength in a sector, and so invited COU to help in developing other indicators relating to the quality of faculty and students. Council was reluctant to alter any of the ground rules for the first graduate planning quinquennium (1979-80 to 1983-84), but felt it appropriate to

13. Ontario Council on University Affairs, *Seventh Annual Report, 1980-81*, pp. 62-69.

14. *Ibid.*, p. 65.

15. *Ibid.*, p. 67.

16. *Ibid.*, p. 69.

begin discussions concerning the ground rules for the second quinquennium. It was thought that the sectoral approach might facilitate graduate planning in the second quinquennium in that it would have many benefits for individual institutions and for the system as a whole:

First, each institution would be aware of the strengths of the others. Second, it would assist the institutions in their planning to the extent that they would be aware, at a very early stage, of which programs would be likely to receive positive funding recommendations. Third, it would do much to rationalize the system yet preserve a measure of institutional autonomy. The institutions would be free to plan programs in certain areas, provided each program was of high quality.¹⁷

Council engaged in a long round of discussions with COU concerning the sectoral approach. COU's work in developing criteria for defining sectors of strength was very helpful in refining the concept of the sectoral approach.

In June, 1982, Council received COU's response to the sectoral concept but, after careful consideration of COU's proposal decided that a sectoral approach to graduate planning should not be established. The faculty and student "quality" indicators which COU developed were useful, but unfortunately, in almost every instance, the "quality" indicators were "swamped" by the "quantity" indicators, i.e., the numbers of faculty and students. Small, high-quality doctoral programs in a sector were not given adequate weighting. Also, a university could be designated as having "major" involvement in a sector even though only one or two departments in that sector were actually strong. Yet, under this approach, the university, subject only to a satisfactory academic appraisal, could obtain funding for a program mounted in any discipline in that sector, regardless of the university's actual strength in a given discipline.

The sectoral approach exercise helped to sharpen Council's focus on the importance of furthering its graduate planning objectives within the context of system-wide goals of institutional role differentiation and system rationalization. Council remains convinced, however, that there are serious problems with the sectoral approach which cannot be overcome.

Originally Council had hoped that the sectoral approach would encourage institutions to concentrate their resources in areas of strength. Council remains committed to the concept of institutional role differentiation, but feels that strategies other than the sectoral approach must now be explored in order to attempt to preserve a high level of academic quality and vigour among programs at the graduate level. It is crucial that the universities, especially in a time of economic constraint, plan their graduate enterprises in relation to their established strengths.

Five-Year Graduate Program Plans

An important contribution to graduate planning can be made through institutional five-year plans. Before the beginning of the first quinquennium, Council received five-year graduate program plans from each university. Subsequently, COU "made the point to Council that it would be useful for the universities to have some comments from Council"¹⁸ about the program proposals contained therein. Council responded in a letter from the Chairman to the Chairman of COU. Council commented on 46 of the 85 programs proposed by the institutions. Though Council's response in 1980 to the institution's five-year plans was only one of many factors

7. *Ibid.*, p. 69.

8. *Ibid.*, p. 65.

influencing a university's decision whether to proceed with a program, it is interesting to note that of the 46 program proposals which Council found to be questionable, 23 were withdrawn, 15 are currently being appraised and 8 were eventually submitted to Council for funding approval.

Council last year asked the institutions to provide it with new preliminary five-year plans, and will soon be asking the universities to confirm whether these plans can be regarded as their official plans. Council considers five-year plans to be of great value: a) to each institution, by encouraging careful examination of offerings in relation to strengths; b) to other institutions, by informing them of the possible introduction of new programs; and c) to Council, by providing an overview of the development of the system as a whole. Council intends to react to these plans in order once again to "aid the institutions in their planning to the extent that they could avoid committing resources to a program which had little likelihood of receiving funding approval."¹⁹

Council will scrutinize for funding only programs that are outlined in the five-year plans, recognizing, however, that universities will need to update these plans annually. As indicated in its list of interim objectives, Council is interested in seeing the "elimination of unjustifiable duplication among existing programs". Therefore, the annual five-year plans also contain a list of proposed changes in existing programs, including any major adjustments of enrolment targets and planned deletions of any existing fields or programs.

Council will scrutinize the five-year plans of all institutions with great care since graduate offerings have a profound steering effect on an institution's overall identity. Council will indicate any modifications to these plans which it deems appropriate. This process of dialogue between Council and the institutions should be beneficial for all parties concerned.

Interim Criteria for Funding New Graduate Programs

The funding approval criteria established for the *first* graduate quinquennium were:

1. Evidence of need in Ontario and Canada to be provided by the Advisory Committee on Academic Planning and endorsed by the Council of Ontario Universities;
2. Certification from the Advisory Committee on Academic Planning through the Council of Ontario Universities that no similar program in the field(s) proposed is available in Ontario. (In exceptional circumstances, Council may be willing to entertain a recommendation from ACAP through COU for funding a master's program where there is a similar program in Ontario, but where there is also strong evidence of regional importance and student demand);
3. Certification from the Advisory Committee on Academic Planning through the Council of Ontario Universities that the proposed program has passed a rigorous appraisal and at the time of appraisal was not found to require improvements;
4. Certification from the institution that admissions to the program commenced prior to its being proposed for funding consideration.²⁰

In light of Council's experience, several of these criteria need to be revised. Council has consistently emphasized, for example in Advisory Memorandum 77-VII, that it

19. *Ibid.*, p. 65.

20. Ontario Council on University Affairs, A.M. 77-VII, *Fourth Annual Report, 1977-78*, p. 58.

would, in considering new programs, be concerned about "balancing...fiscal realities and new initiatives".²¹

Council clarified this statement for COU as meaning whether a program "should be offered and funded despite financial constraint".²² Council also indicated to COU, in Advisory Memorandum 79-VII, that it required a statement on whether a new program was "consistent with the aims, objectives and existing strengths" of the institution offering the program.²³ As noted in Advisory Memorandum 81-VII, COU was unable to forward statements to Council on the above two matters. In fact, COU's Special Committee to Review Graduate Planning indicated COU's general inability to apply Council's funding criteria:

Experience has shown that COU, given its nature, being representative of the institutions, cannot effectively deal with the review of programme proposals according to a set of planning criteria which it has not established itself.²⁴

Council's Academic Advisory Committee, as described in Advisory Memorandum 81-VII, now advises Council on the funding criteria, while COU restricts itself to informing Council on whether a program has been successfully appraised.

Council believes that the concepts of "institutional appropriateness" and "funding despite a climate of financial constraint" should become specific criteria for funding approval, along with Council's previously outlined requirements with regard to a new program's inclusion in a university's five-year plan.

Council continues to hold that a demonstrable commitment by an institution to a proposed program should be evident. Council's present criterion 4, requiring that there be students enrolled in the program before it is forwarded to Council for funding approval, was designed to ensure that demonstrable commitment existed. There has, however, been considerable criticism of this criterion. Some within the system feel that it dampens program initiatives to an undesirable degree by forcing a university to make a commitment to students in a program without any guarantee of adequate funding for the program. From Council's perspective, the fact that there are students already enrolled in the program may sometimes make it more difficult for Council to reject a program proposal. Council holds that, on balance, this criterion has not worked entirely to the advantage of any of the parties concerned. Council is, therefore, recommending that this criterion be dropped. A university will still have to make a significant commitment to a program in terms of teaching-staff and library and other resources. If this commitment has not been made, a program will presumably not pass COU's academic appraisal process, and so will not be forwarded to Council for funding approval.

Council does not believe that by removing this criterion there will be more programs proposed than might otherwise have been developed. The process of dialogue associated with the five-year plans should ensure that an institution receives an early indication of Council's reaction to a particular program proposal, and Council would, therefore, expect an institution to amend or pursue its plans accordingly.

²¹ *Ibid.*, p. 59.

²² Letter from Dr. W.C. Winegard to Dr. E.J. Monahan, October 30, 1979.

²³ Ontario Council on University Affairs, A.M. 79-VII, *Sixth Annual Report*, 1979-80, p. 83.

²⁴ COU Special Committee to Review Graduate Planning, *Final Report*, March 1981, p. 16.

With all of the above considerations in mind, Council accordingly *recommends* to the Minister:

OCUA 83-19

INTERIM FUNDING CRITERIA FOR NEW GRADUATE PROGRAMS COMMENCING MAY 1, 1984.

THAT, in line with the considerations set out in this Memorandum, new graduate programs be considered for funding approval on the advice of Council, with such advice based on the following criteria:

1. That the program has passed a rigorous academic appraisal, as certified by the Council of Ontario Universities (COU), and at the time of appraisal was not found to require improvements.
2. That there is evidence of societal need and student demand for the program in Ontario and/or Canada.
3. That the proposed program does not duplicate an existing program in Ontario unless the institution proposing the new program demonstrates to Council's satisfaction that exceptional circumstances obtain such that Council should recommend the program for funding despite the duplication involved.
4. That the program is consistent with the aims, objectives and existing strengths of the institution offering the program, and is included in the institution's five-year plan.
5. That the program is deserving of funding even in a time of economic constraint.

Funding Approval Process

I. Council of Ontario Universities

Council relies on COU to subject each new program to a rigorous academic appraisal. Council will require COU to notify it at the same time as COU notifies an institution that a program has been appraised successfully. Council would continue to expect the Ontario Council on Graduate Studies (OCGS) to forward both an annual report to Council on graduate program planning and a set of annual graduate program macro-indicators, and to cooperate with Council's Academic Advisory Committee in ensuring that the academic appraisals process continues to be rigorous and credible.

II. The University

After a successful appraisal, each university is responsible for submitting its program proposals directly to Council.

With regard to the second funding criterion, Council will require a university to provide evidence to Council of the need for a program.

Council is prepared to accept that there may be cases of justifiable program duplication. Therefore, in applying the third criterion, Council will entertain compelling arguments from a university that exceptional circumstances may obtain with respect to a specific program proposal such that apparent duplication of an existing program is justifiable.

The program funding submission should provide sufficient commentary and documentation to enable Council to determine whether criteria two, three and four have been met. Specifically with respect to the annual five-year graduate plans each should include:

- a) a list of new programs that are being planned for implementation within the next five years. Only those program proposals that have

reached the point of being considered by the Senate or another university-wide body concerned with graduate programming should be listed. For each program, a brief outline of its content and the perceived need for the program should be included;

- b) a list of existing programs for which major changes are planned in enrolment or program emphasis, such as the introduction of a new field within an existing program; and
- c) a list of programs or fields which may be discontinued.

I. Ontario Council on University Affairs

Council's Academic Advisory Committee will review each program proposed and submit advice to Council. Council, taking into account the Committee's advice on the first four criteria, will determine whether the fifth criterion has been met and will then formulate its advice to the Minister.

Schedule of Program Approvals

Council has developed the following schedule for program approvals. If a program is submitted to Council by August 1 in any given year, Council will make every effort to submit a recommendation to the Minister by February 1 of the following year. If recommended positively, enrolment eligibility for funding of the program should commence beginning in the subsequent fiscal year. Council will submit its advice on program funding only once each year – on or before February 1.

Interim Criteria for Continued Funding of Existing Graduate Programs

In the first quinquennium emphasis was placed on meeting the quinquennial planning objectives through the process of funding approval of new programs, though universities were encouraged to examine their existing programs in light of their strengths.

Many existing graduate programs have never been appraised because they were introduced prior to the establishment of an appraisals process. This situation is being addressed by COU, in that it has instructed its Appraisals Committee to conduct appraisals of all existing programs on a periodic basis over a seven-year cycle, and to begin with those programs which have not previously been appraised. When by this process programs are identified as being of unacceptable quality, Council understands that this information will be sent by COU to Council with a recommendation that funding be discontinued. After a period of two years, such programs could be resubmitted to COU for appraisal, but only on the same basis as a completely new program.²⁵ Council welcomes this initiative on the part of COU, and has instructed the Academic Advisory Committee to monitor the effectiveness of this process and advise Council annually on its findings.

As Council's revised list of objectives indicates, Council is committed to the elimination of unjustifiable duplication among existing programs. While it is true that new programs generate new funding, and so affect the basic income unit value and the deployment of capital, library and other resources within the system, existing programs also affect these deployments, often in more substantial ways. Strong, much needed new program initiatives should not be dampened by the presence, in some instances, of existing programs of dubious quality or need. All of these problems and concerns are, of course, exacerbated in the existing climate of financial constraint and make the need for action in this area all the more pressing.

²⁵ Council of Ontario Universities, *Graduate Studies in the Second Quinquennium: A Submission to OCUA*, October, 1983, pp. 5-7 and p. 11.

In coming to grips with the problem of unjustifiable program duplication Council will, therefore, rely considerably on the new COU appraisals process and on the advice of Council's Academic Advisory Committee with respect to the existing array of graduate program offerings.

With all of the above considerations in mind, Council accordingly *recommends to the Minister:*

OCUA 83-20

INTERIM FUNDING CRITERIA FOR EXISTING GRADUATE PROGRAMS COMMENCING MAY 1, 1984.

THAT, in line with the considerations set out in this Memorandum, existing graduate programs continue to be funded, unless Council advises that funding be withdrawn on the basis of the program failing:

- a) to be of acceptable academic quality, as certified by the Council of Ontario Universities (COU), and/or,
- b) to meet a justifiable need.

Conclusion

It is hoped that these new funding criteria will promote Council's overall system-wide goals of institutional role differentiation and system rationalization, and specifically will assist in the achievement of Council's particular objectives for the graduate area.

M. Paikin
Acting Chairman
January 20, 1984

3-IX The Allocation of the Government's Operating Support for the University System in 1984-85

The Minister of Colleges and Universities informed Council on December 16, 1983 that, for 1984-85, a maximum of \$1,185.5 million in operating grants will be made available for the university system. Of this amount, \$1,176.4 million is available for Council's basic funding objectives and the grant-in-aid for the Bar Admission Course. In response to Council's Recommendation 83-12, \$4.0 million of the remaining grants is provided as additional funds to cover the incremental costs of existing bilingualism activity. The final \$5.1 million is retained by the Ministry of Colleges and Universities for line budget items.

In addition to the operating grants announcement, the Minister also announced that "formula tuition fee rates for all students in Ontario universities will rise by 5% in 1984-85",¹ and asked "universities to ensure that institutional tuition fees reflect this policy, increasing by no more than 5% over the 1983-84 levels".² These policies apply to both domestic and visa students. By applying the increase in formula fee rates to Council's revised estimate of 1984-85 total student enrolment (an estimated 3% increase, as indicated in Advisory Memorandum 83-IVA), an estimated \$13.0 million in additional formula fee revenue is yielded.

Based on the above estimate of the increase in formula fee revenue and the estimated 2.8% increase in enrolment, total grant and fee revenue accruing to the university system in 1984-85 is expected to be \$1,472.3 million. This represents a 3% or \$80.5 million increase over 1983-84.³

In December 1983, Council updated its 1984-85 funding advice by submitting Advisory Memorandum 83-IVA. This updated advice reduced by \$8.5 million the amount recommended for operating grants in Advisory Memorandum 83-IV. This advice reflects what Council believes will be the effect on the university system of *Ant to Provide for the Review of Prices and Compensation in the Public Sector and for orderly Transition to the Resumption of full Collective Bargaining*.

The estimated total revenue available for Council's basic funding objectives in 1984-85, including the \$1,176.4 million in operating grants designated for Council's basic funding objectives and the estimated \$13.0 million from the formula fee rate increase, falls \$9.0 million short of Council's revised basic funding objectives. The estimated total revenue available to the university system in 1984-85, including the \$13.0 million grant for funding the incremental costs of bilingualism, falls \$21.7 million short of Council's revised total recommendation for operating support, which is \$1,541.0 million (\$1,524.3 million for basic funding objectives; \$0.74 million for the grant-in-aid for the Bar Admission Course; \$4.0 million for the funding of existing bilingualism programs; and \$12.0 million for additional funds for equipment and library acquisitions).

The Minister of Colleges and Universities also informed Council that the 1984-85 formula operating grants will be distributed differently than in previous years, stating that "...each institution's grant will consist of two-thirds of its grant calculated

letter from the Honourable Dr. B. Stephenson, Minister of Colleges and Universities, to Mrs. M. Paikin, dated December 16, 1983.

¹ Ibid.

³ The 1983-84 grants figure used in this calculation includes the \$12.0 million special grant towards expenditures on equipment for use in teaching undergraduates and on library equipment and acquisitions.

with the current formula and one-third of its grant calculated with a new formula. Further, Council is instructed to "make appropriate adjustments to the distribution ensure that no institution receives less than a five percent increase over its 1983 formula grant".⁵ The Minister's description of the "new formula", which comprises one-third of the 1984-85 formula grants allocation, can be found in Appendix B of this memorandum.⁶

In this memorandum, Council presents its advice on the distribution of the \$1,180.4 million that has been made available for Council's 1984-85 operating grant allocation. This advice includes recommendations on the allocation of differentiated grants, Northern Ontario grants, bilingualism grants, grant-in-aid for the B.A. Admission Course, a provision for the minimum 5% increase in formula grants, a provision for final enrolment adjustment, and the distribution by the Minister of the announced formula of the funds remaining after the above allocations.

Differentiation Grants

Council's Advisory Memorandum 80-VI established differentiation grants as a new category of extra-formula funding intended to assist institutions which accept a clearly differentiated role, demonstrate their intention to pursue their academic strengths efficiently and effectively, and require special funding to do so. Trent University is the only institution to have received a differentiation grant.

Over the past three years, Trent has been awarded differentiation grants: in recognition of its continued efforts to solidify its differentiated role as the only institution in the Ontario university system engaged almost exclusively in undergraduate Arts and Science education; in approval of its realignment of its limited graduate offerings to complement its academic strengths; and in acknowledgement of its improved management of resources and expenditures.

Trent's ongoing implementation of the academic and fiscal principles which it has adopted with regard to undergraduate and graduate programming and to deferral of reduction, respectively, continues to meet with Council's approval. Accordingly, Council recommends to the Minister:

OCUA 83-21

DIFFERENTIATION GRANT FOR TRENT UNIVERSITY 1984-85

THAT a differentiation grant of \$1,500,000 be made to Trent University in 1984-85.

Council reiterates its position that the recommended level of any future differentiation grant will be determined as a result of a review of the existing circumstances of the institution.

Northern Ontario Grants

In Advisory Memorandum 80-VI, Council indicated that it anticipated undertaking a thorough review of Northern Ontario grants. Each year since that time, Council has postponed this review because of uncertainty concerning the future delivery of university-level education in Northeastern Ontario. Council continues to believe that it would be inappropriate to undertake a review of the Northern Ontario grants until

4. Letter from the Honourable Dr. B. Stephenson, Minister of Colleges and Universities, to Mrs. M. Paikin, dated December 16, 1983.

5. *Ibid.*

6. See Ministry of Colleges and Universities, *Operating Formula Manual*, November, 1983, pp. 28-31, for a description of the current formula.

the structure for the delivery of university-level education in Northeastern Ontario is realized.

For 1984-85, the value of the Northern Ontario grants for Lakehead and Laurentian universities, and Laurentian's affiliated colleges, is calculated according to the "mini-formula" outlined in Advisory Memorandum 75-VII. On the basis of that formula, each grant is determined with reference to the prior year's Basic Operating Income of each institution. Accordingly, Council *recommends to the Minister*:

OCUA 83-22

NORTHERN ONTARIO GRANTS 1984-85

THAT Northern Ontario grants in 1984-85 be made in the following amounts:

Lakehead	\$2,233,000
Laurentian	2,158,000
Algoma	191,000
Laurentian (Algoma)	29,000
Nipissing	404,000
Laurentian (Nipissing)	45,000
Hearst	101,000
Laurentian (Hearst)	15,000

Bilingualism Grants

Using 1981-82 cost data, Council recently completed its second study of the incremental costs associated with bilingualism in Ontario universities.⁷ Details of the costing method adopted by Council and the results of the study for 1981-82 for each institution are given in Appendix A of this Memorandum. These results update and replace Council's 1976-77 bilingualism cost study results.⁸

The new study indicates that the total cost of existing bilingualism activities in 1981-82 was \$11.072 million. When escalated by the percentage increases in operating grants for 1982-83 and 1983-84, the estimated 1983-84 incremental costs for bilingualism are \$13.354 million. This exceeds the bilingualism grants' allocation for 1983-84 by \$4.103 million. Anticipating the approximate level of this shortfall on the basis of preliminary cost study results, Council took initial corrective measures at the time it submitted its funding level advice for 1984-85. Additional funding of \$4.0 million for bilingualism in 1984-85 was recommended in Advisory Memorandum 83-IV as an initial step in recognition of the documented incremental costs of existing bilingualism programs. Council now estimates that the incremental costs of existing bilingualism activity in 1984-85 will be \$14.169 million.⁹

It is Council's intention that the distribution of the costs of bilingualism among institutions in 1981-82 should form the basis for bilingualism grant allocation for a 4 year period. At the end of this period bilingualism costs would again be reviewed to determine the appropriate level and distribution of grants for a subsequent period.

As noted above, in response to Council's recommendation, the Minister announced on December 16, 1983 that an additional \$4.0 million is to be provided from the global allocation for the incremental costs of bilingualism. As a result, the total bilingualism grants available for distribution for 1984-85 are equal to: (i) the total bilingualism grants for 1983-84 increased by 6.1%, which is the percentage by which ongoing operating grants increase between 1983-84 and 1984-85, excluding the additional \$4.0 million for bilingualism; and (ii) the \$4.0 million in additional

⁷See Advisory Memorandum 83-IV for a brief description of the history of this study and of Council's previous study.

⁸See Advisory Memorandum 77-VI for details on Council's first bilingualism cost study.

⁹This is derived by increasing the 1983-84 estimate by 6.1%, the percentage increase in total ongoing operating grants exclusive of new allocations (i.e. the \$4.0 million in additional bilingualism grants).

funds. This \$13.814 million is allocated according to the incidence of the 1981 incremental bilingualism costs.

Accordingly, Council *recommends to the Minister:*

OCUA 83-23

BILINGUALISM GRANTS 1984-85

THAT bilingualism grants in 1984-85 be made in the following amounts:

Ottawa	\$9,904,000
Laurentian	2,015,000
Glendon	832,000
Hearst	106,000
Sudbury	129,000
St. Paul	828,000

Bar Admission Course

In recent years, Council has recommended that the grant-in-aid for the Bar Admission Course be increased by the same percentage as that accorded to the university system as a whole. Council continues to apply this policy for 1984-85 and proposes that the grant-in-aid for the Bar Admission Course be increased by 6.1% which is the percentage increase in ongoing operating grants between 1983-84 and 1984-85, excluding the additional \$4.0 million for bilingualism. Council accordingly *recommends to the Minister:*

OCUA 83-24

GRANT TO THE LAW SOCIETY OF UPPER CANADA ON BEHALF OF THE BAR ADMISSION COURSE 1984-85

THAT a grant of \$727,000 be made to the Law Society of Upper Canada for support of the Bar Admission Course in 1984-85.

Basic Income Unit Values

Of the \$1,180.4 million available for distribution in 1984-85, Council has recommended that \$21.217 million be made available for Northern Ontario, bilingualism and differentiation grants, and for the grant-in-aid for the Bar Admission Course. In addition to these deductions, shown in Table I, \$2.253 million has been set aside by Council as the provision for final enrolment adjustment and the provision for minimum 5% increase in formula grants. Of this amount \$1.055 million is intended to offset any discrepancy between the estimated weighted enrolment for 1983-84 and the final enrolment figure, and \$1.198 million is set aside for special grants to raise the formula grants of those institutions whose 1984-85 formula grant increased by less than 5% over their 1983-84 formula grants to 105% of their 1983-84 level. The amount remaining for distribution by formula is \$1,156.930 million. It should be noted that the unused portions of the provisions for final enrolment adjustment and the 5% minimum increase in formula grants will also be distributed according to the funding formula announced by the Minister of Colleges and Universities.

Table I

**Availability of Funds for Distribution as
Formula Grants for 1984-85**

Available for Council's Allocative Recommendation		\$1,180,400,000
Deduct:		
Northern Ontario Grants	\$ 5,176,000	
Bilingualism Grants	13,814,000	
Differentiation Grants	1,500,000	
Bar Admission Course	727,000	
Sub-Total	21,217,000	
Provision for final enrolment adjustment	1,055	
Provision for a 5% increase in formula grants	1,198	
Available for distribution as Formula Grants		\$1,156,930,000

As noted above, two-thirds of the 1984-85 formula grants are to be distributed according to the current formula and one-third of the formula grants are to be allocated according to the new formula announced by the Minister of Colleges and Universities. This has been accomplished by calculating the distribution for the entire \$1,156.930 million in formula grants twice, according to each of the formulas. The resulting two formula grant figures for each institution (one calculated under the current formula and the other calculated under the new formula) have been multiplied by their respective shares of total formula grants (two-thirds and one-third) and added together to arrive at each institution's formula grant.

Under the current formula, the value of the undergraduate Basic Income Unit (BIU) is \$4,009 and the graduate BIU value is \$3,908. The undergraduate allocation is calculated in accordance with the undergraduate funding formula established in Advisory Memorandum 76-VII. The graduate BIU allocation is calculated according to the method specified in Advisory Memorandum 78-III.

Under the new formula, the value of the Base BIU is \$3,034 and the Moving-average BIU value is \$949. The base allocation and moving-average allocation are calculated in accordance with the new formula described in Appendix B of this memorandum.

Accordingly, Council *recommends to the Minister:*

OCUA 83-25

**GRADUATE AND UNDERGRADUATE BIU VALUES UNDER THE
CURRENT FORMULA FOR 1984-85**

THAT for 1984-85, the graduate BIU value be not less than \$3,908 and the undergraduate BIU value be not less than \$4,009.

OCUA 83-26

*BASE AND MOVING-AVERAGE BIU VALUES UNDER THE NEW
FORMULA FOR 1984-85*

THAT for 1984-85, the base BIU value be not less than \$3,034 and the moving average BIU value be not less than \$949.

Table II summarizes the distribution of grants based on the recommendation contained in this memorandum. It documents, by institution, the formula and non formula grants recommended by Council for 1984-85, along with the grant totals for 1983-84 and the percentage increases in grants between the two years.

M. Paikin
Acting Chairman
January 20, 1984

1984-85 Recommendations

	Formula Grants	Northern Ontario Grants	Bilingualism Grants	Differentiation Grants	Special Grants & Final Enrollment Adjustment	Total Grants Recommended	1983-84 Total Grants	% Change
Brock	21,563					21,563	19,576	10.2
Carleton	57,013					57,013	53,857	5.9
Guelph	69,820					69,820	65,913	5.9
Lakehead	18,141	2,233				20,374	18,823	8.2
Laurentian	17,094	2,158				21,396	19,553	9.4
Algoma	1,296	191	2,144			1,487	1,362	9.2
Laurentian (Algoma)	270	29				299	223	34.1
Nipissing	3,092	404				3,496	3,096	12.9
Laurentian (Nipissing)	425	45				470	340	38.2
Hearst	324	101	106			531	483	10.0
Laurentian (Hearst)	144	15				159	88	80.7
McMaster	76,434					76,434	72,304	5.7
Ottawa	88,067		10,732		243	99,042	91,321	8.5
Queen's	80,083					80,083	76,054	5.3
Toronto	255,849				596	256,445	244,233	5.0
Trent	11,634			1,500		13,134	12,247	7.2
Waterloo	89,371					89,371	84,609	5.6
Western	120,253					120,253	114,004	5.5
Wilfrid Laurier	22,911					22,911	21,489	6.6
Windsor	49,942					49,942	46,955	6.4
York	99,497		832			100,329	90,741	10.6
OISE	15,932				90	16,022	15,259	5.0
Ryerson	50,444				244	50,688	48,274	5.0
OCA	7,217				22	7,239	6,895	5.0
Dominican	114				3	117	111	5.6
Total	1,156,930	5,176	13,814	1,500	1,198	1,178,618	1,107,810	6.4
Bar Admission					727			
Final Enrollment Adjustment					1,055			

Notes:

1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.
2. Bilingualism grants for affiliated institutions are included with the parent institutions.
3. Special grants include the grants required to increase institutions' formula grants by 5% over the previous year and the grant-in-aid for the Bar Admission Course.

METHODOLOGY FOR THE CALCULATION OF THE INCREMENTAL COSTS OF BILINGUALISM

In its study of the 1981-82 incremental costs of bilingualism, Council identified six components of the incremental costs of bilingualism. They are as follows:

- a) supplementary course offerings,
- b) second language training,
- c) library operations,
- d) translation services,
- e) publishing, printing, stationery and supplies, and
- f) administrative staff.

A description of the method adopted for calculating the costs included in each of these components is given below. Results of the study for each institution are shown in Table A.

a) Supplementary Course Offerings

Supplementary course offerings are those courses, or sections of courses, whose existence is directly traceable to the bilingual nature of the institution. Actual supplementary courses/sections are those which would not be offered by a unilingual institution with the same size student body. These will occur in one of the following ways:

- i) *Parallel Supplementary Course Offerings* exist when the same subject material is being taught in both English and French on the same campus in a given academic year. Language courses are excluded from the definition of parallel courses and no incremental costs are attributed to sections of parallel courses that are produced by normal sectioning practices.
- ii) *Non-Parallel Supplementary Course Offerings* exist when different subject material is being taught but the course is one which is being offered in order to provide an "adequate" range of courses in either English or French. No incremental costs are attributable to: a) non-parallel courses which would be offered by a unilingual institution with the same size student body, or b) non-parallel courses/sections where the students could not have been accommodated in other non-supplementary courses in the same discipline area at the same level (offered in the same language).

For both parallel and non-parallel supplementary courses, the following types of course sections are *not* included in the study: (i) multiple course sections — only one section of a minority language course is considered to have incremental costs associated with it, (ii) "directed studies" and one-student courses that are not required or compulsory courses, and (iii) Translation courses. For non-parallel supplementary courses, course sections that are equal to or greater than the average section size of the institution's non-supplementary courses at the same year level are excluded from the study.

For both types of courses, the incremental faculty cost is derived by dividing the total number of supplementary courses/sections by 3.0 (the average teaching load of all institutions' full-time faculty) and multiplying by the average faculty salary (exclusive of fringe benefits and excluding medicine). The incremental academic support staff costs are obtained by applying to the total costs of all teaching assistants, technicians and clerk-typists the following ratio: actual supplementary courses/sections over the total number of courses offered.

b) Second Language Training

The incremental cost of second language training is limited to the institution's expenditures on second language training for: i) students, where that training is provided *via* non-credit courses, and ii) faculty and staff.

c) Library Operations

The costs of bilingualism relating to library operations have two elements: book costs and cataloguing costs. Incremental book costs are derived by comparing the proportion of total purchasing and binding costs (including ordering and processing) of books and periodicals in each bilingual institution's minority language with the corresponding proportion at a comparable unilingual institution. When the difference between the proportions is applied to the total cost of books and periodicals purchased and bound at the bilingual institution, the incremental book costs as a result of bilingualism are calculated. Incremental cataloguing costs have been determined as involving:

- i) extra catalogue cards purchased because of bilingualism, and
- ii) expenditures on the translation of library cards.

d) Translation Services

The expenditures of the institution's central translation department, expenditures on external translation services, and expenditures of academic departments on French-English and English-French translations of specified documents are deemed to be incremental costs.

e) Publishing, Printing, Stationery and Supplies

Each institution's estimate of additional expenditures on publishing, printing, stationery and supplies as a result of bilingualism is deemed a reasonable measure of the incremental cost.

f) Administrative Staff

The total costs deemed to be incremental are as follows:

- i) the cost of extra staff required to provide bilingual services, and
- ii) salary differentials for bilingualism paid to staff who must be bilingual to perform their function.

Table A
Incremental Costs of Bilingualism in Designated Ontario Universities, 1981-82
(\$)

	Ottawa	St. Paul	Laurentian	Sudbury	Hearst	Glendon (York)
Supplementary Course Offerings	4,306,925	547,902	1,055,074	78,515	46,062	455,690
Second Language Training	120,203	—	8,357	—	—	5,368
Library	289,835	36,120	114,581	10,533	6,025	53,788
Translation Services	79,132	1,058	73,723	—	5,000	8,069
Publishing, Printing, Stationary and Supplies	548,350	13,351	119,193	5,170	9,563	16,232
Administrative Staff	2,592,914	65,490	243,981	9,485	17,996	127,963
Total	7,937,359	663,921	1,614,909	103,703	84,646	667,110

Appendix B

THE NEW FORMULA¹**Description**

The new formula will consist of two components. The first component provides for the distribution of 75% of the sum total of formula operating grants and formula fees (BOI) in accordance with "Base BIUs". The Base BIUs of an institution will consist of one-half of the average of the BIUs of 1974-75, 1975-76 and 1976-77 and one-half of the average of the three years with the highest number of BIUs between 1974-75 and 1982-83. This method of determining base units recognizes the established role of three-year base of the current formula and takes into account some measure of the enrolment capacity of each institution.

The second component provides for the distribution of the remaining 25% of BOI in accordance with the average number of BIUs in the three years immediately preceding the funding year. The "moving average" makes the allocation responsive to changes in enrolment, although in a much dampened way relative to current arrangements.

Separate BIU values for undergraduate and graduate levels will be abolished for the new formula. Instead, two new BIU values, one for base BIUs and the other for moving average BIUs, will apply equally to both undergraduate and graduate levels.

Method of Calculation for 1984-85:**1. Calculate BIUs and Formula Fees****a) Base**

$$\frac{1}{2} \frac{(1974-75 + 1975-76 + 1976-77)}{3} + \frac{1}{2} \frac{(M)}{3}$$

where M = Sum of three years with the highest number of BIUs between 1974-75 and 1982-83

b) Moving Average:

$$\frac{1981-82 + 1982-83 + 1983-84}{3}$$

2. Calculate Total BOI

– apply discounting rates to Base and Moving Average

$$\begin{aligned} \text{Total BOI} &= b (\text{Grants} + \text{Base Fees}) + m (\text{Grants} + \text{Moving Average Fees}) \\ &= \text{Grants} + b (\text{Base Fees}) + m (\text{Moving Average Fees}) \end{aligned}$$

Where: $b + m = 1$

b and m are the discount rates (0.75 for the base and 0.25 for the moving average)

b = proportion of total grants and formula fees allocated according to the base BIUs

m = proportion of total grants and formula fees allocated according to moving average BIUs

Attachment to the letter from the Honourable Dr. B. Stephenson, Minister of Colleges and Universities, to Mrs. M. Paikin, dated December 16, 1983.

3. *"Splitting the Pot" between Base and Moving Average BOI*

a) Base:

- apply the base discount rate to total formula grants and base formula fees

$$\text{Base BOI} = (\text{Grants} + \text{Base Fees})$$

b) Moving Average:

- apply the moving average discount rate to total grants and moving average formula fees

$$\text{Moving Average BOI} = m (\text{Grants} + \text{Moving Average Fees})$$

4. *Determine Unit Values*

a) Base:

- divide base BOI by Base BIUs

$$\text{Base Unit Value} = \frac{\text{Base BOI}}{\text{Base BIUs}}$$

b) Moving Average:

- divide moving average BOI by moving average BIUs

$$\text{Moving Average Unit Value} = \frac{\text{M.A. BOI}}{\text{M.A. BIUs}}$$

5. *Allocate Institutional BOI*

- multiply each institution's base and moving average BIUs by their respective BIUs values

6. *Determine Institutional Formula Grants*

- subtract discounted formula fees from institutional BOI

$$\text{Grants} = \text{BOI} - b (\text{Base Fees}) - m (\text{Moving Average Fees})$$

83-X Undergraduate Quasi-Professional Program Funding – Mathematics for Commerce (Honours BA), York University; Music History (BA), Queen's University; Behavioural Neuroscience (BSc), Laurentian University

In this memorandum Council offers advice on three new undergraduate quasi-professional programs. They were considered in accordance with the procedures set out in Advisory Memorandum 82-VII.

Mathematics for Commerce (Honours BA), York University

Council dealt directly with this proposal without referral to its Academic Advisory Committee. York already offers an ordinary program in Mathematics for Commerce. Some students in the ordinary program suggested they wanted to pursue their studies in greater depth so as to be able to compete more effectively for employment and graduate work opportunities in operations research and statistics. The honours program would appear to fill a recognizable societal need and student demand. York indicates that the honours program will not involve the addition of new courses or new faculty and that current library and computer facilities will not have to be expanded. York projects an enrolment of 100-150 students per year with some corresponding decrease in the numbers enrolled in the ordinary program.

Council is satisfied that the program should be funded even in a time of economic restraint and, accordingly, Council *recommends to the Minister:*

OCUA 83-27

FUNDING FOR THE HONOURS BACHELOR'S PROGRAM IN MATHEMATICS FOR COMMERCE AT YORK UNIVERSITY BEGINNING IN 1985-86

THAT the Honours BA program in Mathematics for Commerce at York University be deemed eligible for formula support beginning in 1985-86, and that eligible enrolment, from 1984-85 on, be included in the moving average for the university.

Music History (BA), Queen's University

This program was referred to the Academic Advisory Committee for advice.¹ Council concurs with the Committee's view that this program should be viewed as a core Arts and Science program and should, therefore, be funded automatically.

Behavioural Neuroscience (BSc), Laurentian University

This program was referred to the Academic Advisory Committee for advice.² Council endorses the Committee's comments with respect to its concerns regarding the match between the curriculum and the original program title. Council also endorses the Committee's recommendation that the program not be regarded as quasi-professional, and that it should, therefore, be funded automatically as a core Arts and Science program. The fact that the program is not quasi-professional will have been taken into account in the promotion of the program by Laurentian.

Paikin
 Acting Chairman
 February 17, 1984

¹See Appendix A.

²See Appendix B.

Appendix

Major Concentration in Music History, B.A. (Honours), Queen's University

At the moment, Queen's University offers minor and medial concentrations in Music History. Appendix "A" of Advisory Memorandum 82-VII lists "Music" as a quasi-professional program. We believe that the intent of Council in so listing it was to monitor the introduction of performance-oriented Music programs. Programs in Music History or Musicology should, however, really be viewed as generally falling outside the "core" Arts and Science area, as there are no performance courses or any substantial additional resources involved. The Committee, therefore, recommends that the Queen's program be treated as a "core" Arts and Science program and accordingly be eligible for funding.

(Excerpt from Letter dated February 6, 1984 from Professor R. Fraser, Acting Chairman of the Academic Advisory Committee, to Mrs. M. Paikin, p. 1.)

Appendix B

Behavioural Neuroscience, B.Sc., Laurentian University

This program has been before the Committee since the fall of 1982. Other institutions within the system were canvassed as to their opinion concerning the program and then Laurentian responded to their comments. After a detailed review of all the relevant documentation, the Committee concluded that the program was not truly "quasi-professional", but rather, given the curriculum, more accurately described as a core Arts and Science program. The Committee was also concerned with the fact that the original program title "Neuroscience" did not accurately reflect the contents of the curriculum and so could mislead certain applicants and raise their expectations with respect to how professionally qualified they would be upon completion of the program and hence how "marketable" they would be with respect to employment opportunities and the prospects for graduate level study. Laurentian was asked to reconsider the program title and eventually accepted the Committee's recommendations that the program be retitled "Behavioural Neuroscience". The Laurentian Senate formally endorsed the change in title on September 22, 1983.

After further review, the Committee remains of the opinion that the program should not be regarded as a quasi-professional program and accordingly should be funded automatically.

(Excerpt from Letter dated February 6, 1984 from Professor R. Fraser, Acting-Chairman of the Academic Advisory Committee, to Mrs. M. Paikin, p. 2.)

83-XI Graduate Program Funding – Physical Therapy (MCISc), University of Western Ontario; Health and Radiation Physics (MSc), McMaster University; Music Criticism (MA), McMaster University; Music (MFA), York University; Physiological Optics (PhD), University of Waterloo

On October 15, 1982, the Council of Ontario Universities (COU) advised Council that 22 new graduate programs had been successfully appraised. COU offered no other commentary or information on the programs, and, therefore, it was left to each individual institution to request formally that a program be considered by Council for formula funding approval, and to supply Council with relevant information. In this memorandum Council offers advice on six new graduate programs.

Clinical Sciences in Physical Therapy (MCISc), University of Western Ontario

Council has considered the advice of its Academic Advisory Committee concerning the University of Western Ontario's new Master's in Clinical Sciences program in Physical Therapy.¹ This program meets all of Council's funding criteria for new programs submitted during the first graduate planning quinquennium and is consistent with the aims, objectives and existing strengths of the University. Even in a time of general economic constraint this program should be deemed eligible for formula funding support.

Accordingly, Council *recommends to the Minister:*

OCUA 83-28

FUNDING FOR THE MASTER'S IN CLINICAL SCIENCES IN PHYSICAL THERAPY PROGRAM AT THE UNIVERSITY OF WESTERN ONTARIO FOR 1985-86

THAT the MCISc program in Clinical Sciences in Physical Therapy program be deemed eligible for formula support beginning in 1985-86, and that eligible enrolment, from 1984-85 on, be included in the moving average for the university.

Health and Radiation Physics (MSc), McMaster University

Council has reviewed the advice of its Academic Advisory Committee with respect to McMaster University's new master's program in Health and Radiation Physics.² Council finds that the program meets all of the required funding criteria for new graduate programs. It is also clearly consistent with the aims, objectives and existing strengths of the institution. Council feels that even in a time of general economic constraint this program should be deemed eligible for formula funding support.

1. See Appendix A.

2. See Appendix B.

Accordingly, Council recommends to the Minister:

OCUA 83-29

FUNDING FOR THE MASTER'S PROGRAM IN HEALTH AND RADIATION PHYSICS AT McMASTER UNIVERSITY FOR 1985-86

THAT the MSc program in Health and Radiation Physics at McMaster University be deemed eligible for formula support beginning in 1985-86, and that eligible enrolment, from 1984-85 on, be included in the moving average for the university.

Music Criticism (MA), McMaster University

Council has reviewed the advice of its Academic Advisory Committee,³ and is satisfied that this program meets all of Council's funding criteria. It also is consistent with McMaster's aims, objectives and existing strengths. Even in a time of general economic restraint, this is a program which should be deemed eligible for formula funding support.

Accordingly, Council recommends to the Minister:

OCUA 83-30

FUNDING FOR THE MASTER'S PROGRAM IN MUSIC CRITICISM AT McMASTER UNIVERSITY FOR 1985-86

THAT the MA program in Music Criticism at McMaster University be deemed eligible for formula support beginning in 1985-86, and that eligible enrolment, from 1984-85 on, be included in the moving average for the university.

Music (MFA), York University

Having reviewed the advice of its Academic Advisory Committee, Council is satisfied that York University's new graduate program in Music has met the required funding criteria and is consistent with York's aims, objectives and existing strengths. Even in a time of general economic constraint, this program should be deemed eligible for formula funding support.

Accordingly, Council recommends to the Minister:

OCUA 83-31

FUNDING FOR THE MASTER'S IN FINE ARTS PROGRAM IN MUSIC AT YORK UNIVERSITY FOR 1985-86

THAT the MFA program in Music at York University be deemed eligible for formula support beginning in 1985-86, and that eligible enrolment from 1984-85 on, be included in the moving average for the university.

Physiological Optics (PhD), University of Waterloo

Council has examined the advice of its Academic Advisory Committee with respect to the University of Waterloo's doctoral program in Physiological Optics.⁴ The program meets all of the required funding criteria and is consistent with the aims, objectives and existing strengths of the University. Despite a climate of general economic restraint, this is a program which should be deemed eligible for formula funding support.

³See Appendix C.

⁴See Appendix E.

Accordingly, Council *recommends to the Minister:*

OCUA 83-32

FUNDING FOR THE DOCTORAL PROGRAM IN PHYSIOLOGICAL OPTICS AT THE UNIVERSITY OF WATERLOO FOR 1985-86

THAT the PhD program in Physiological Optics at the University of Waterloo be deemed eligible for formula support beginning in 1985-86, and that eligible enrolment, from 1984-85 on, be included in the moving average for the university.

M. Paikin
Acting Chairman
February 17, 1984

Appendix A

**ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE**

**Master of Clinical Sciences (M.Cl.Sc.) in Physical Therapy, University of
Western Ontario – New Graduate Program considered for Formula Funding**

On March 22, 1983, the University of Western Ontario formally requested that Council consider recommending its Master of Clinical Sciences program in Physical Therapy for formula funding support. According to established procedures, the program was automatically referred to Council's Academic Advisory Committee.

The Committee considered the program on two occasions and examined it in light of Council's funding criteria for new graduate programs. The Committee also viewed whether the program was consistent with the "aims, objectives and existing strengths" of the University. The Committee's findings with regard to the program are summarized below:

NEED

The need for this program can be established on several grounds. With regard to student demand, there are five applications for each position available in the program. Each graduating student has so far received on average three teaching offers. At present, 70% of instructors in Physical Therapy across Canada do not possess graduate degrees.

Both the Ontario Physiotherapy Association and the Canadian Physiotherapy Association were asked to comment on the Western program. The Ontario Group stated that "the continued development of a research base in physical therapy is essential for future development within the health care system." The Canadian Association commented that:

The Canadian Physiotherapy Association recognizes that physiotherapists are in a unique position to contribute to the development of the body of knowledge which supports the practice of rehabilitation. The Association also recognizes that to fulfill this role, physiotherapists must have opportunities to acquire advance knowledge in the basic sciences and to develop clinical research skills. At the present time, such opportunities are not readily available to the two and a half thousand physiotherapists in Ontario. Physiotherapists from this province who wish to pursue graduate studies must either compete for a very limited number of places in the two established programs, located in Alberta and Quebec, or they must enter a graduate program that is peripheral to their area of expertise.

UNIQUENESS

The Committee is satisfied that this is indeed a unique program. No other existing Health Science program in Ontario is designed specifically to meet the needs for advanced education for qualified physiotherapists.

APPRAISAL

The Committee accepts that the program has passed a rigorous academic appraisal.

ENROLMENT

In 1982-83, there were seven full-time and two part-time students enrolled. Council's enrolment criterion has, therefore, been satisfied.

5. AIMS, OBJECTIVES, STRENGTHS

The University of Western Ontario has a strong undergraduate program in Physical Therapy and recognized collateral strengths in the Faculty of Medicine and the departments of Physiology, Anatomy, Clinical Neurological Sciences, Physiotherapy, Medicine and Rehabilitation and Biophysics. There are various cross-appointments of teaching staff from these departments as well as some sharing of facilities. Also housed within the Physical Therapy Program is the Elborn College Clinic, a therapeutic treatment facility, which is a satellite of University Hospital. This new facility will improve the environment for clinical research within the program.

The Committee also notes that at a November 1982 meeting of the heads of Ontario Physical Therapy and Occupational Therapy Schools no other university indicated an intention in the foreseeable future to mount a program such as Western's.

6. FUNDING

The Committee, therefore recommends that:

the University of Western Ontario's new M.Cl.Sc. program in Physical Therapy should be recommended as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

September 27, 1983

Appendix B

**ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE**

**Master of Science Program in Health and Radiation Physics (M.Sc.)
McMaster University – New Graduate Program considered for Formula Funding**

On October 15, 1982, Council was advised by the Council of Ontario Universities that McMaster University's M.Sc. Programme in Health and Radiation Physics had successfully passed academic appraisal. On March 8, 1983, McMaster University formally requested consideration of formula funding approval by Council, which subsequently referred the program to its Academic Advisory Committee.

The Academic Advisory Committee met on three separate occasions to consider the McMaster University M.Sc. program in Health and Radiation Physics and, as mandated by its "Terms of Reference" (October 20, 1981), considered the program in light of Council's funding criteria for new graduate programs (Advisory Memorandum 77-VII). In doing so it reviewed various related documents, including:

- calendar descriptions of the program.
- OCGS's Advisory Committee on Academic Planning's (ACAP) 1974 Discipline Assessment of Physics and Astronomy.
- McMaster University's *Statement of Programmes Recommended for Funding: M.Sc. Programme in Health and Radiation Physics*. March 8, 1983.
- OCUA Advisory Memorandum 81-VII.

The Committee carefully applied each of Council's four funding criteria and addressed the questions of whether the program was consistent with the "aims, objectives and existing strengths" of the university. The Committee's findings are summarized below.

1. NEED

The Committee is satisfied that a need exists for this program in Ontario and Canada. There are concrete employment opportunities for graduates of a program concerning health and radiation physics:

In Canada there is a growing need in government monitoring laboratories, in nuclear energy corporations, in mining and extractive metallurgy of radioactive ores, in industrial and medical x-ray and other radiation monitoring services...Past needs in Canada have been met partly by acquiring personnel from abroad and...enrolling employees in retraining programmes offered in the United States."¹

2. UNIQUENESS

The Committee is satisfied that no similar program in the field exists in Canada. It appears that no certification procedure exists for professional physicists at this time, neither is there a graduate programme in Canada in Health and Radiation Physics.

3. APPRAISAL

The Committee is satisfied that the program has passed a rigorous academic appraisal.

¹ *Statement on Programmes Recommended for Funding: M.Sc. Programme in Health & Radiation Physics*, McMaster University, March 8, 1982, p. 2.

4. ENROLMENT

Enrolment in the program in 1982/23 comprised 2 PT students. There are currently 3 FT and 2 PT students enrolled for 1983/84.

5. AIMS, OBJECTIVES, STRENGTHS

The high quality of McMaster University's Physics Department was noted in 1974 by ACAP in its Discipline Assessment Report:

McMaster University has an excellent physics department which has achieved international recognition in its two areas of specialization, nuclear physics and solid state physics.²

The Committee is satisfied that the program in Health and Radiation Physics is consistent with the aims, objectives and existing strengths of McMaster University.

6. FUNDING

The Committee, therefore, recommends to Council that:

McMaster University's new M.Sc. program in Health and Radiation Physics should be recommended as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

September 27, 1983

2. OCGS Advisory Committee on Academic Planning, *Perspectives and Plans for Graduate Studies, Physics and Astronomy*, 1974, p. A-29.

Appendix C

ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE

Master's in Music Criticism (M.A.), McMaster University – New Graduate
Program considered for Formula Funding

On March 8, 1983, McMaster University formally requested that Council consider recommending its M.A. program in Music Criticism for formula funding. According to established procedures, the program was automatically referred to Council's Academic Advisory Committee.

The Committee considered the program on two occasions, examining it in light of Council's funding criteria for new graduate programs and addressing the question of whether the program was consistent with the "aims, objectives and existing strengths" of the university. The Committee's findings are summarized below.

I. NEED

Comments made by the Task Force established by the Advisory Committee on Academic Planning (ACAP) to review Graduate Programs in Music (1974) indicated that:

A great deal of musical criticism is written and published, but a need for higher standards is regularly voiced. If a thriving musical culture is demonstrated by a range of critical outlets from the daily press through magazines and scholarly journals to research monographs, then Canada is not at that stage yet, although efforts in the fields of aesthetics, musicology, and journalism indicate a swift and increasingly serious development towards it, in which, again, the university music departments play a central role.¹

The Committee also found that graduates of the program may expect to find employment opportunities existing, for example, in the fields of journalism and teaching, and in the radio and television industry.

The Committee is satisfied that a need for such a program exists in Ontario and Canada.

II. UNIQUENESS

The Committee is satisfied that McMaster University's M.A. program in Music Criticism is unique and that no other program specializing in this field exists.

III. APPRAISAL

The Committee is satisfied that the program has passed a rigorous academic appraisal.

IV. ENROLMENT

In 1981/82 six full-time students and one part-time student were enrolled in the program. Council's enrolment criterion is, therefore, satisfied.

V. AIMS, OBJECTIVES AND STRENGTHS

McMaster University has a strong music department. Its music criticism program is assisted by the departments of Philosophy and Psychology and several music

faculty members are professional writers and reviewers. In addition the university has excellent library resources in its music section and has established its own concert series.

6. FUNDING

The Committee, therefore, recommends that:

McMaster University's M.A. in Music Criticism should be recommended as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

October 25, 1983.

Appendix D

**ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE**

**Master of Fine Arts in Music (M.F.A.), York University – New Graduate Program
considered for Formula Funding**

On March 9th, 1983, York University formally requested that Council consider recommending its M.F.A. program in Music for formula funding support. According to established procedures, the program was automatically referred to Council's Academic Advisory Committee.

The Committee considered the program on two occasions, examining it in light of Council's funding criteria for new graduate programs and addressing the question of whether the program was consistent with the "aims, objectives and existing strengths" of the university. The Committee's findings are summarized below.

1. NEED

In assessing the need for the type of program proposed by York University, the Committee noted the absence of any other M.F.A. program in Music specializing in ethnomusicology and Canadian music, and acknowledged the advice given by COU's Advisory Committee on Academic Planning (ACAP) that:

There is an urgent need to develop strong graduate programmes in these two areas. These programmes are necessary to heighten awareness, knowledge and understanding of the musical contribution of the native peoples, the immigrant ethnic communities and the two founding cultures of Canada. Little is being done in these areas in the existing graduate programmes which specialize in historical musicology.¹

Graduates of the program will find employment opportunities in secondary and post-secondary institutions, libraries, archives, and in the communications media and the performing arts.

The Committee is satisfied that a need exists for York University's M.F.A. in Fine Arts.

2. UNIQUENESS

The Committee is satisfied that this is indeed a unique program and that no other specializing in ethnomusicology exists in Ontario and Canada.

3. APPRAISAL

The Committee is satisfied that the program has passed a rigorous, academic program.

4. ENROLMENT

In 1981/82 eleven full-time students and one part-time student were enrolled in the program. Council's enrolment criterion is, therefore, satisfied.

1. ACAP Discipline Assessment Report, 1974/76, p. 14.

5. AIMS, OBJECTIVES AND STRENGTHS

The Committee acknowledges that York University has a strong base on which to mount its program,

The research interests of the faculty appear to be shifting towards a Canadian context. The necessary interdisciplinary contacts are available at York. These include anthropology, psychology, sociology, linguistics and area studies programmes. The location of York...provides excellent opportunities for field research of immigrant communities.²

6. FUNDING

The Committee, therefore, recommends that:

York University's M.F.A. program in Music should be recommended as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

October 26, 1983.

2. *Ibid.*, p. 15.

Appendix E

**ONTARIO COUNCIL ON UNIVERSITY
AFFAIRS ACADEMIC ADVISORY COMMITTEE**

**Doctoral Program in Physiological Optics (Ph.D.), University of Waterloo – New
Graduate Program considered for Formula Funding**

On June 28, 1983, the University of Waterloo requested that Council consider recommending for formula funding its new doctoral program in Physiological Optics. Council referred this request to the Academic Advisory Committee for advice.

In accordance with its "Terms of Reference", the Committee examined the program in light of Council's funding criteria for new graduate programs. The Committee also considered the matter of institutional appropriateness. The Committee's findings are summarized below:

1. NEED

There is a general societal need for teachers and researchers who can train students in the area of preventive eyecare. Much fundamental research is still required in order to explore thoroughly the epidemiology of vision defects. Additional faculty will be needed in the future to teach in the undergraduate and graduate optometry programs at Waterloo. Waterloo estimates that two doctoral student graduates per year will be needed to "meet teaching and research needs in the two existing Canadian Schools of Optometry".¹

2. UNIQUENESS

Waterloo has the only English-language School of Optometry in Canada and no doctoral program similar to Waterloo's exists at present in Canada.

3. APPRAISAL

The Committee is satisfied that the program passed a rigorous academic appraisal, at which time it did not require improvements.

4. ENROLMENT

As students began enrolling in the program in September 1981 Council's enrolment criterion has been met. The Committee notes that there are currently two full-time students enrolled in the program and one other student pursuing a joint Biology-Physiological Optics degree. The planned original enrolment was to have no more than five students. The current enrolment level appears to be consistent with that aim, but nevertheless the future enrolment levels in this program should be carefully monitored.

5. AIMS, OBJECTIVES AND STRENGTHS

In 1967, the forty-two year old Ontario College of Optometry was integrated into the Faculty of Science at Waterloo, and Waterloo began offering an undergraduate program in Optometry. In 1972, a master's program was launched. There is, therefore, an established base of resources for Optometry research and teaching at Waterloo. And as Waterloo noted in its program approval submission:

¹ Letter from Dean H.H.E. Leipholtz to Dr. B.C. Mathews, November 7, 1983.

The School of Optometry is exceptionally well equipped for all areas of study of Physiological Optics. The School of Optometry clinical programmes are well adapted to yield essential information, particularly for epidemiological, demographic and other field studies. Models of vision care delivery systems to geriatric, mentally retarded, pediatric and other special segments of society are currently in progress. There are supporting laboratories and computer facilities for all areas of study within the scope of the programme.²

The Committee is satisfied that the program is consistent with Waterloo's established aims and objectives and with its existing academic strengths.

6. FUNDING

The Committee, therefore, recommends to Council that:

the doctoral program in Physiological Optics at the University of Waterloo be recommended by Council as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

February 6, 1984

2. Attachment to letter from Dr. L.A.K. Watt to Dr. B.C. Matthews, June 28, 1983, p. 4.

OCUA Public Meetings 1983-84

OCUA Public Meetings 1983-84

Date	Location of Meeting, and Institutions or Organizations
April 7, 1983	Queen's Park University of Waterloo
April 8, 1983	Queen's Park Council of Ontario Universities Ontario Confederation of University Faculty Associations Confederation of University Staff Associations Ontario Federation of Students
April 15, 1983	Brock University Brock University University of Guelph McMaster University University of Toronto
April 29, 1983	University of Windsor University of Windsor University of Western Ontario Wilfrid Laurier University
May 6, 1983	Queen's University Queen's University Carleton University Trent University Ottawa University
May 18, 1983	Queen's Park Ontario Graduate Association
May 19, 1983	Ryerson Polytechnical Institute Ryerson Polytechnical Institute Ontario Institute for Studies in Education York University Ontario College of Art
June 24, 1983	Laurentian University Laurentian University Algoma University College Nipissing University College Le Collège Universitaire de Hearst

**OCUA Recommendations and
Government Responses, 1983-84**

OCUA Recommendations and Government Responses, 1983-84

Recommendations		
Number	Title	Response
Advisory Memorandum 83-I		
3-1	Funding of Undergraduate Quasi-Professional Programs beginning in 1984-85.	Partially Accepted (see Minister's letter of June 3, 1983, which follows this table)
Advisory Memorandum 83-II		
3-2	Funding for the Master's Program in Language and Learning Problems at York University beginning in 1984-85.	Accepted
3-3	Funding for the Doctoral Program in Management at Queen's University Beginning in 1984-85.	Accepted
Advisory Memorandum 83-III		
3-4	Ontario Graduate Scholarship Program Eligibility.	Accepted
3-5	Ontario Graduate Scholarship Stipends 1984-85	Not Accepted
3-6	Institutional Awards to Universities without Doctoral Programs.	Accepted
3-7	Ontario Graduate Scholarships to Persons on Student Visas.	Accepted
3-8	Number of Ontario Graduate Scholarship Awards in 1984-85.	Accepted
Advisory Memorandum 83-IV		
3-9	Government Operating Grants for 1984-85 to Meet the Costs of Council's Basic Objectives in Funding Provincially-assisted Universities and their Affiliated Colleges, Ryerson Polytechnical Institute, The Ontario Institute for Studies in Education, The Ontario College of Art and Dominican College.	Not Accepted
3-10	Formula Fee Rates for 1984-85 to Meet the Costs of Council's Basic Objectives.	Not Accepted
3-11	Funding for 1984-85 for the Bar Admission Course.	Not Accepted
3-12	Additional Funding for 1984-85 for existing Bilingualism Programs.	Accepted
3-13	Equipment and Library Funding for 1984-85.	Not Accepted
3-14	Level of Support for Major Repairs, Renovations and Replacement Projects in 1984-85.	Not Accepted

Advisory Memorandum 83-IVA

83-9A	Government Operating Grants for 1984-85 to Meet the Cost of Council's Basic Objectives in Funding Provincially-assisted Universities and their affiliated Colleges, Ryerson Polytechnical Institute, The Ontario Institute for Studies in Education, The Ontario College of Art and Dominican College.	Not Accepted
83-10A	Formula Fee Rates for 1984-85 to Meet the Costs of Council's Basic Objectives.	Not Accepted

Advisory Memorandum 83-V

83-15	Funding for a New Public Administration Degree Program at Ryerson Polytechnical Institute for 1984-85.	Accepted
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Advisory Memorandum 83-VI

83-16	Post-residency Fees	Accepted
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Advisory Memorandum 83-VII

83-17	Differential Fees for Visa Graduate Students.	Accepted
83-18	Assistance for Visa Graduate Students.	Not Accepted

Advisory Memorandum 83-VIII

83-19	Interim Funding Criteria for new Graduate Programs commencing May 1, 1984.	Accepted
83-20	Interim Funding Criteria for Existing Graduate Programs commencing May 1, 1984.	Accepted

Advisory Memorandum 83-IX

83-21	Differentiation Grant for Trent University 1984-85.	Accepted
83-22	Northern Ontario Grants 1984-85.	Accepted
83-23	Bilingualism Grants 1984-85.	Accepted
83-24	Grant to the Law Society of Upper Canada on behalf of the Bar Admission Course 1984-85.	Accepted
83-25	Graduate and Undergraduate BIU Values under the Current Formula for 1984-85.	Accepted
83-26	Base and Moving Average BIU Values under the new Formula for 1984-85.	Accepted

Advisory Memorandum 83-X

83-27	Funding for the Honours Bachelor's Program in Mathematics for Commerce at York University beginning in 1985-86.	Accepted
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Advisory Memorandum 83-XI

83-28	Funding for the Master's in Clinical Sciences in Physical Therapy Program at the University of Western Ontario for 1985-86.	Accepted
83-29	Funding for the Master's Program in Health and Radiation Physics at McMaster University for 1985-86.	Accepted
83-30	Funding for the Master's Program in Music Criticism at McMaster University for 1985-86.	Accepted
83-31	Funding for the Master's in Fine Arts Program in Music at York University for 1985-86.	Accepted
83-32	Funding for the Doctoral Program in Physiological Optics at the University of Waterloo for 1985-86.	Not Accepted

Response to Advisory Memorandum 83-XII



Office of the
Minister

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of
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June 3, 1983

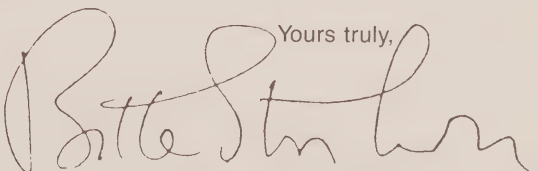
Dr. B.C. Matthews
Chairman
Ontario Council on University Affairs
7th Floor
700 Bay Street
Toronto, Ontario
M5G 1Z6

Dear Dr. Matthews:

Further to my letter of April 12, 1983, I am pleased to approve, in part, OCUA Advisory Memorandum 83-I, FUNDING OF UNDERGRADUATE QUASI-PROFESSIONAL PROGRAMS BEGINNING IN 1984-85; specifically that the following programs be deemed eligible for formula support beginning in 1984-85 and that eligible enrolment therein be included from 1983-84 on, in the moving average for each institution:

Program	University
Music (B.A.)	Laurentian
Commerce and Economics (B.A.)	McMaster
Pre-Service Teacher Education, Anglophone Sector, (B.Ed.)	Ottawa

The recommended certificate programs in Community Recreation and Recreation Resource Management (University of Ottawa) are referred back to Council with the request that Council review the policy of funding such programs outside of the colleges of applied arts and technology which have a specific mandate to provide programs at this level. If funding is considered appropriate, a clear rationale for the support of certificate programs at the university level and at Ryerson Polytechnical Institute should be identified.

Yours truly,

Bette Stephenson, M.D.
Minister

CA2 ØN
DG 705
-A56

1984-1985

**Ontario
Council on
University
Affairs**

**Eleventh
Annual
Report**



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DG 705
- 1153

Ontario Council on University Affairs

Eleventh Annual Report March 1, 1984 to February 28, 1985

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Telephone: (416) 965-5233

March, 1985

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Letter of Transmittal



Ontario
Council on
University
Affairs

416/965-5233

7th Floor
700 Bay Street
Toronto, Ontario
M5G 1Z6

February 28, 1985

The Honourable Keith Norton,
Minister of Education, Colleges & Universities,
22nd Floor, Mowat Block,
Queen's Park,
Toronto,
Ontario.

Dear Mr. Norton,

I respectfully submit herewith the Eleventh Annual Report of the Ontario Council on University Affairs, which covers the period from March 1, 1984 to February 28, 1985.

Yours sincerely,

A handwritten signature in cursive script, reading "Marnie Paikin".

Marnie Paikin
Chairman

Members and Officers of the Ontario Council on University Affairs 1984-85

Charles N. Armstrong (1985)
Ottawa

Susanne Aziz (1987)
London

Jean-Michel Beillard (1986)
Ottawa

Charles Carmichael (1987)
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Islington

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Kitchener

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Research Officer

Brian O'Riordan
Research Officer

Susan Pape
Administrative Assistant

Paul Stenton
Research Officer

Barry Yeates
Research Officer

(Members' terms expire on February 28 of the year indicated in parenthesis)

**Resigned before term expired.*

Introduction

Introduction

The Eleventh Annual Report of the Ontario Council on University Affairs covers the period March 1, 1984 to February 28, 1985 and contains the full text of all Advisory Memoranda issued during the year. In addition, the present report contains the text of a paper released by Council in September 1984 entitled: "A Financial Analysis of the Ontario University System - 1984." As usual, the report also contains a list of Council's public meetings for the year and the response of the Government to the recommendations made by Council.

**A Financial Analysis of the
Ontario University System - 1984**

Executive Summary

The Ontario Council on University Affairs analyzes, in this paper, the financial circumstances of Ontario universities during the period 1977-78 to 1982-83 by examining what has happened to revenues, expenditures and commonly used measures of quality.

During the period 1978-79 to 1982-83, Ontario universities' real income and expenditures declined and then rose so that they averaged 3.9% and 4.6% less, respectively, than the 1977-78 levels. In 1982-83, however, real annual university system revenue and expenditures surpassed their 1977-78 levels by about 1%. Despite the constraint on resources available to Ontario universities since 1977-78, these institutions have increased their level of activity in the key areas of instruction (where FTE enrolment increased by 10.7%) and sponsored research (where real expenditures increased by 34.5%) and have been able to show an overall current year surplus throughout the period examined (*Section A.1*).

The real decline in resources available was more severe for those areas of activity that are most dependent on Provincial Government support (the operating fund and the capital fund). The only areas of activity to experience a decline in the share of total revenue available to Ontario universities during the period 1977-78 to 1982-83 were the operating fund and the capital fund. During the period 1978-79 to 1982-83, real operating income and real capital income averaged 6.9% and 38.8% less, respectively, than in 1977-78.

While the majority of operating income continues to come from Provincial Government grants, the share of total operating income from this source declined from 81.8% in 1977-78 to 77.4% in 1982-83. In comparison with universities in other provinces, Ontario universities receive a smaller proportion of total operating income in the form of operating grants. During the period 1977-78 to 1983-84 Ontario universities operating grants increased by only 59.9%. On the other hand, total Provincial Government budgetary expenditures (excluding debt servicing) increased by 88.5%, indicating that, since 1977-78, the universities' share of Government resources declined significantly (*Section B.1(c)*).

In comparison with universities in other provinces, Ontario universities have fared poorly in terms of Government operating support and operating income. In 1981-82, Ontario ranked tenth in operating grants per FTE student and ninth in operating income per FTE student. Government operating support and total operating revenue received by Ontario universities have also lagged behind those received by elementary and secondary schools in the Province (*Sections B.1 (a), (c)*).

In recent years, as a result of the constraints on Provincial Government operating grants, Ontario universities have had to rely more heavily on other sources of operating income. The share of operating revenue from student fees increased from 16.0% in 1977-78 to 19.1% in 1982-83. Similarly, the share of operating revenue from sources other than Provincial Government grants and student fees increased from 2.2% to 3.5% during this period. However, Council believes that these sources of income cannot be expected to increase significantly and therefore cannot be expected to compensate for shortfalls in Government support. Based on its past operating grants recommendations, Council estimates that, at a minimum, an additional \$115 million dollars in operating income was necessary in 1982-83 to bring the level and quality of service provided by the universities up to that provided by the universities in 1977-78 (*Sections B.1 (d), (e) and (f)*).

The constraints on the level of operating income mentioned above have had a direct effect on the level of operating expenditures. Since 1977-78, real operating expenditures have averaged 6.9% less than the amount spent in 1977-78. The universities have been able to adjust to constrained revenue and increasing and shifting enrolment with only minor shifts in expenditures. Since 1977-78, the split between academic and non-academic expenditures has remained virtually unchanged.

Within the academic expenditure area there has been little change in the share of expenditures for instruction and research and library resources, and a slight decline in the academic computing share of expenditures. Within the non-academic operating expenditures there has been a shift in expenditures away from physical plant and toward the other non-academic functional areas, particularly toward administration, and non-academic computing (*Section B.2 (a)*).

There has also been little change in the share of resources devoted to salary related expenditures and non-salary expenditures. Expenditures on the major objects of expense — library acquisitions, operational supplies and expenses, utilities, and the two non-faculty salary categories of other instruction and research and other salaries and wages — declined more severely than did other objects of expense (*Section B.2 (b)*).

While the constraints on operating revenue have been significant, the constraints on capital revenue have been even more severe. From 1976-77 to 1983-84, Government support for capital expenditures has fallen short of Council's total recommendations by \$106.3 million. However, capital income from non-Governmental sources has been even more constrained than from Provincial Government sources (*Section C.1*).

Sponsored research funding has increased significantly in recent years. It falls short, however, of the level necessary to reach the Federal Government's target for 1985. One of the major concerns of Ontario universities is the funding of overhead costs for these increased research activities. With the constraints on other areas of revenue, it is difficult for the institutions to absorb these costs and to continue to increase their research efforts (*Section D*).

September, 1984

Ontario Council on University Affairs

Introduction

Since its establishment, the Ontario Council on University Affairs has advised Government annually on the level of funding required to maintain Ontario's universities. Each year since 1977-78, Government operating grants have fallen short of Council's funding recommendations. Beginning in 1979, Council has published annually financial papers which examine Government's funding policies and analyze their impact on the university system.¹ In this paper, Council updates and expands its analysis to provide a broader picture of university finances since 1977-78.

In this paper, Council analyzes the financial circumstances of Ontario universities by examining:

- (i) the level of, and the real increases and decreases in, resources available and deployed within the universities;
- (ii) the degree of flexibility associated with various sources of revenue and the division of the universities' activities and financial reporting;
- (iii) any shifts in sources of revenue and in expenditures in both current and constant dollars; and
- (iv) the cause of any shifts in resources and priorities.²

In addition to analyzing the financial circumstances of Ontario universities, this paper also tries to examine the effect of these circumstances by assessing their impact on the quality of the university enterprise. In its Spring 1983 hearings, Council discussed with representatives of the universities the impact of underfunding on the quality of university scholarship, research and education. Most institutions indicated that the quality of scholarship and research was extremely high. However, most institutions found it difficult to assess the impact of financial restraint on the quality of university education.

Council recognizes that it is extremely difficult to measure the quality and changes in quality of the "outputs" of the university enterprise, i.e., educated graduates and scholarly basic and applied research. Council believes, however, that there are measures of the "inputs" which go into producing educated graduates and scholarly research, such as student/faculty ratios, that are commonly used as indicators of quality which may shed some light on the overall quality of the university enterprise. Council realizes that while the use of these indicators is widespread, it is impossible to make conclusive statements about the overall quality of the "outputs" of universities based on such indicators. Council, therefore, restricts itself to assessing changes in the quality of the "inputs" during the period since 1977-78 and makes no direct assessment of the level of quality of the "outputs" beyond providing inferential evidence of a change.

(A) TOTAL UNIVERSITY REVENUE AND EXPENDITURES

In order to present and assess several years of information, Council limits itself to an examination of system-wide or global financial circumstances and trends. Council recognizes that the circumstances of individual institutions are varied and may differ radically one from another. Indeed, in recent years for example, the financial

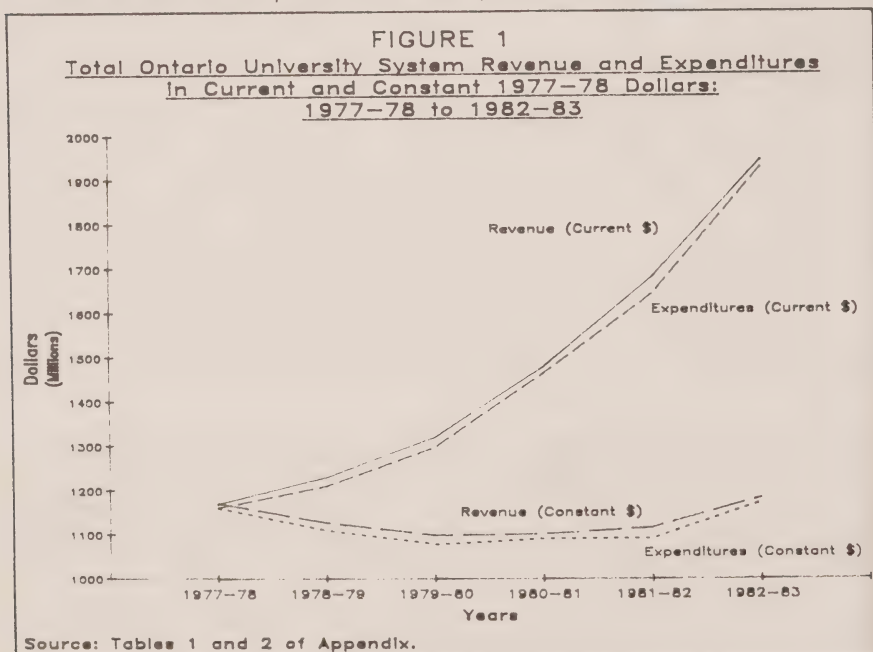
1. OCUA, *System on the Brink: A Financial Analysis of the Ontario University System - 1979*, September, 1979.
 OCUA, *A Financial Analysis of the Ontario University System - 1980*, September, 1980.
 OCUA, *A Financial Analysis of the Ontario University System - 1981*, December, 1981.
 OCUA, *A Financial Analysis of the Ontario University System - 1982*, December, 1982.

2. The Ontario university system generally refers to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education (OISE), and the Ontario College of Art (OCA). However, for most of the financial data provided in this report, consistent information throughout the period examined was available only for the universities, Ryerson, OISE, OCA, Nipissing, Algoma and Hearst. It was not available for the remaining affiliated and federated colleges.

circumstances experienced by Ontario universities varied from marginal increases in revenue and expenditures for institutions with stable or declining enrolment to substantial increases in revenue and expenditures for institutions with rapidly increasing enrolment levels. Similarly, the accumulated deficit or surplus position of Ontario universities varies widely from institution to institution. However, in this paper Council focuses on what has happened, in general, to the revenues, expenditures and activities of all Ontario universities and as a result the analysis may not reflect the particular experience of individual institutions.

A.1 LEVEL OF TOTAL REVENUES AND EXPENDITURES

Figure 1 illustrates in both current dollars and constant 1977-78 dollars the total revenues and expenditures for Ontario universities for the period 1977-78 to 1982-83.³ During this period, total annual university revenue increased by 66.2% (from \$1,169.5 million in 1977-78 to \$1,943.3 million in 1982-83), while total annual university expenditures increased by 66.0% (from \$1,160.4 million in 1977-78 to \$1,926.8 million in 1982-83). As Figure 1 indicates, since 1977-78, in all but the most recent year for which data are available (1982-83), Ontario universities received less real income and expended less in real terms than in 1977-78. During the period 1978-79 to 1982-83, Ontario universities' real income and expenditures averaged 3.9% and 4.6% less, respectively, than their 1977-78 income and expenditures. In 1982-83, however, the university system received 1.1% more real revenue and spent 1.0% more in real expenditures than in 1977-78. However, cumulatively, the universities have absorbed a \$255 million reduction in real income (1977-78 dollars) and a \$267 million reduction in real expenditures over the period 1977-78 to 1982-83.



3. Because 1977-78 was the last year Government accepted Council's advice on the level of operating grants, wherever possible in this paper Council uses 1977-78 as the base year for the revenue and expenditure measures examined. Where appropriate, the price deflators used to deflate revenue and expenditures in real terms throughout this paper are composite indexes of the Consumer Price Index (CP) and all or portions of the Ontario Universities' Non-Salary Price Index (OUNSPI) in proportion to the share of expenditures on salary-related expenditures and non-salary expenditures.

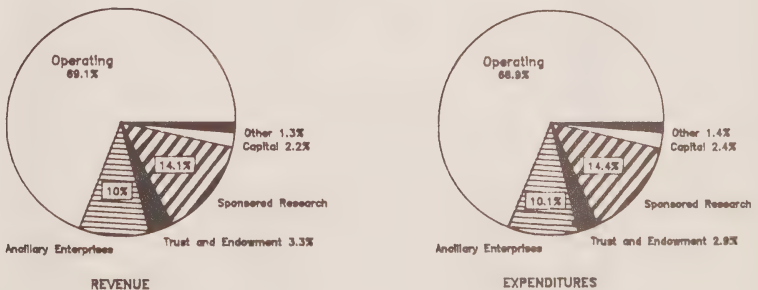
Figure 1 also indicates that the university system showed overall current-year surpluses throughout this period, ranging from 0.8% of total revenue in 1977-78 to 2.3% of total revenue in 1981-82. These amounts may be misleading, however, since current-year total revenue and total expenditure data do not take into account restrictions on the use of universities' financial resources nor do they identify either funds appropriated for future expenditures or accumulated reserves or deficits. In addition to these problems with current-year surplus/deficit information, the data are aggregated for the entire university system and do not reveal individual institutions' financial circumstances.

A.2 DIVISION OF TOTAL REVENUE AND EXPENDITURES

As mentioned, many of the financial resources available to Ontario universities have limitations or restrictions on their use. These resources must be used in accordance with: Government regulations; activities or objectives specified by private donors; restrictions or limitations imposed by other sources outside the institution; and/or directives issued by governing bodies of the institutions. To ensure that these limitations and restrictions are observed, the institutions, for accounting and reporting purposes, classify and segregate, under several funds, the various university activities and resources available for these activities.

The Committee of Finance Officers - Universities of Ontario (COFO-UO) identifies three "general funds" and three "restricted funds" under which all university activities and revenues and expenditures can be classified. The general funds - operating, other (non-credit) and ancillary enterprises - include the revenues and expenses associated with the universities' primary function of instruction and research, non-credit instruction, and supplementary services in support of these activities. The "restricted funds" - and sponsored research, trust and endowment, and capital - include the revenues and expenses associated with research activities and projects supported by external grants, expendable gifts, benefactions and grants available for special

FIGURE 2
Proportion of Ontario University Revenue and Expenditures
by Fund: 1982-83

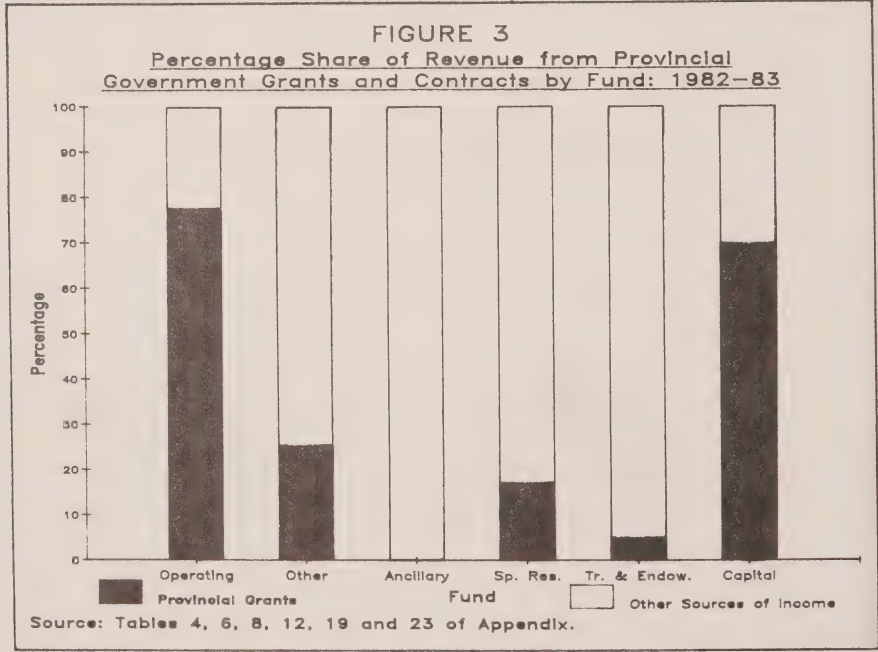


Source: Tables 1 and 2 of Appendix.

purposes, and capital projects.⁴

The proportion of Ontario universities' total revenue and expenditures accounted for by each fund or area of activity in 1982-83 is displayed in Figure 2. It is clear from this figure that the majority of university resources is directed towards the operating fund. While being integral areas of university activity, the resources available and expended in each of the other funds of Ontario universities - sponsored research, ancillary enterprises, trust and endowment, capital and other (non-credit) - are of much less financial significance than the operating fund.

The share of total income from provincial sources has dropped from 63.5% in 1977-78 to 58.0% in 1982-83. Table 1 of the Appendix illustrates the shifts in the share of total resources available to each fund in recent years, outlining the total revenues by fund over the period 1977-78 to 1982-83. In general since 1977-78, those areas of university activities whose revenues are less dependent on Provincial Government support for income have increased more rapidly than those areas more dependent on Provincial Government support. Figure 3 illustrates the degree to which each fund was supported by Provincial Government grants and contracts in 1982-83. In real terms, during the period 1978-79 to 1982-83, annual income for the areas of university activity which are less dependent on the Provincial Government for revenue activities averaged higher than the respective 1977-78 income figures: 17.0% for sponsored research, 15.2% for trust and endowment supported functions, 2.2% for ancillary enterprises and 21.0% for non-credit instruction. Each of these funds' share of total university system revenue increased during this period. On the other hand, the share of total revenue for two funds which depend heavily on Provincial Government support, the operating fund and the capital fund, declined from 1977-78 to 1982-83. During this period, real operating income averaged 6.9% less than in 1977-78 and real capital income averaged 38.8% less than in 1977-78. It should be noted that, in



4. See Committee of Finance Officers - Universities of Ontario, *Financial Report of Ontario Universities, 1982-83*, Volume 1 - Universities, pp. 1-15, for an explanation of university accounting procedures and definitions of various funds.

the case of the capital fund, non-government capital income declined by a greater degree than Government capital grants.

Changes in university system expenditures in the various funds closely followed the changes in revenue available. As indicated in Table 2 of the Appendix, during the period 1977-78 to 1982-83, the only funds to experience a decline in share of total university expenditures were the operating fund and the capital fund. During the period 1978-79 to 1982-83, operating expenditures averaged in real terms 6.9% less than in 1977-78 and real capital expenditures averaged 41.2% less than in 1977-78. During this period, the remaining funds' real expenditures averaged higher than in 1977-78: 25.1% for Other (non-credit), 2.1% for ancillary enterprises, 15.6% for sponsored research, and 9.6% for trust and endowment.

Table 3 of the Appendix displays the aggregate 1982-83 year-end fund balances for the Ontario university system. Ontario universities had an accumulated deficit of \$3.2 million in unappropriated operating funds. However, many institutions had sizable end-of-year balances in their restricted funds or as appropriated operating reserves. In particular, there were \$144.3 million in unappropriated reserves in the universities' trust and endowment funds, \$86.7 million in unappropriated reserves in sponsored research funds and \$23.1 million in unappropriated reserves in capital funds. These funds are, however, designated as restricted and cannot, for the most part, be used for general operating expenditures to offset an operating fund deficit. For example, much of the reserves found in the trust and endowment funds of Ontario universities are from donations solicited in institutional fund-raising drives which are designated for expenditures for specific purposes. As such, these funds should not be looked upon as another source of revenue which can augment the universities' traditional sources of general operating revenue. Council feels strongly that the widespread use of such donations to increase general operating revenue could very well jeopardize future fund-raising drives if donors felt their donations were merely replacing inadequate Government funding. In any case, upon closer examination of information concerning individual institutional fund balances, it also appears that those institutions with relatively large operating fund deficits do not have large reserves available in other funds which could be used to offset these deficits.

In this paper Council concentrates, for the most part, on three funds: the operating fund, the capital fund, and the sponsored research fund. Each of these funds relies heavily on Provincial or Federal Government support to fund its activities.

Before examining these funds in detail, Council notes that each of the other funds - the other (non-credit) fund, ancillary enterprises fund, and the trust and endowment fund - relies more heavily on non-governmental sources of revenue as can be seen in Tables 4, 6 and 8, and is less central to the primary function of universities, that of providing credit instruction and research.

The other (non-credit) fund refers to revenues and expenses associated with providing non-credit instruction. The ancillary enterprises fund covers services provided by universities which are supplementary to the primary function of credit instruction and research. The trust and endowment fund accounts for expendable gifts, benefactions and grants available for special purpose as stipulated by donors. As Tables 4, 8, 12, 19 and 23 indicate, in 1982-83, about \$23.7 million was transferred from this fund to the operating fund, other (non-credit) fund, sponsored research fund and the capital fund.

(B) THE OPERATING FUND

The operating fund of universities accounts for the costs associated with performing the majority of university activities: credit instruction; non-sponsored research; academic support services (library, computing and student services); administration; and plant maintenance. In 1982-83 about 69% of total university system revenues and expenditures were accounted for by the operating fund. As Table 1 of the Appendix shows,

this proportion is down from the approximately 74% share of total revenues and expenditures accounted for by the operating fund in 1977-78. Despite this decline in share of revenue and expenditure, it appears the overall level of activity accounted for by this fund has not diminished, and, as illustrated below, in some areas, such as instruction, it has increased.

B.1 OPERATING REVENUE

B.1 (a) Level of Operating Revenue

Since 1977-78, operating income increased by 56.3% in current dollars and averaged in real terms 6.9% less than the amount received in 1977-78. Real income improved slightly in 1982-83, but still remained 4.8% below the 1977-78 level. However, if transfers from other university funds are excluded from the operating income total, and only the income from normal operating sources is considered, then real operating income from these sources averaged 7.2% below the 1977-78 level.

Council places this decline in real resources in perspective by comparing Ontario universities' operating revenue with that of universities in other provinces and with that of elementary and secondary schools within the province. These comparisons are made on a per student basis, enabling Council to compare the level or changes in the level of financial resources available to jurisdictions of differing size and also to place in perspective the financial resources available to Ontario universities to support the "inputs" necessary to educate their students.

Council has noted, on a number of occasions, that Ontario universities have faced more severe constraints on operating revenue than universities in most other provinces. Table 10 of the Appendix presents the total operating income per full-time equivalent (FTE) student for each province for the years for which data are available, 1977-78 to 1981-82. In 1979-80, Ontario dropped from sixth to ninth position among all provinces in operating income per student and continued to hold that position while the gap between Ontario and the other provinces widened. During the period shown, Ontario's real operating income per student averaged 12.9% below the level of the other provinces in Canada.

Figure 4 indicates that, throughout the period, Ontario universities have lagged behind those of Quebec, the Western provinces and the Atlantic provinces in the level of annual real operating income per student.

Council has also illustrated in previous financial papers that the severe financial constraints on operating activities experienced by Ontario universities contrast sharply with operating revenue increases for elementary and secondary schools. This trend continued in 1982-83.

Table 11 of the Appendix and Figure 5 present comparable indexes of university operating revenues and elementary and secondary school operating revenues for the period 1977-78 to 1982-83. The university index uses provincial grants plus tuition fees as a proxy for operating revenue (these two sources of income account for over 96% of Ontario universities' operating income). It measures, in constant 1977-78 dollars, the operating revenue per FTE student received by Ontario universities over this period. Provincial grants plus local tax revenues are used as a proxy for total operating revenue for the index of elementary and secondary school operating revenues. This index measures, in real terms, provincial grant plus local tax revenue per pupil received by Ontario elementary and secondary schools over the same period.

These indexes show that school revenue per pupil rose 4.5% in real terms between 1977-78 and 1982-83.⁵ At the same time, university revenues per student declined by 15.8%. In the most recent year for which data are available (1982-83), university revenues per FTE student declined in real terms by 0.9%, while elementary

5. Whenever elementary and secondary school comparisons are made in this paper, Provincial grants include the provincial contribution on behalf of teachers to the Superannuation Fund and Superannuation Adjustment Benefits.

and secondary school revenues per pupil increased by 2.5%.

B.1 (b) Sources of Operating Revenue

A breakdown of the sources of revenue that comprise operating income, and their values for the years 1977-78 to 1982-83, are presented in Figure 6 and Table 12 of the Appendix. As can be seen from Figure 6, throughout this period the majority of operating income for Ontario universities came from Provincial Government operating grants. However, this Figure also displays a noticeable increase in the share of operating income from student fees and from other sources of operating income. Most of the increase in other income came from investment income and transfers from other funds within the universities - notably from trust and endowment funds.

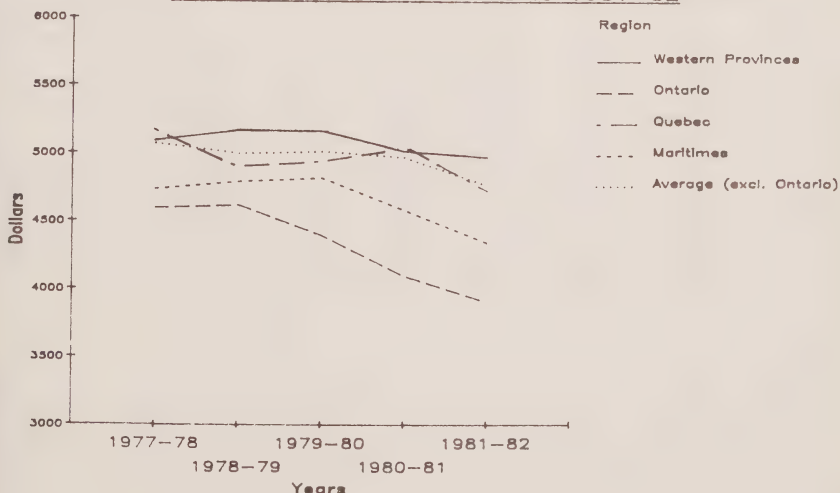
While all Provincial Governments have declared policies of fiscal restraint, in comparison with other Canadian jurisdictions, Ontario universities receive the smallest proportion of their operating resources from Provincial Government grants. Ontario universities receive a larger share of their operating revenue from student fees than institutions in other provinces. However, as indicated by Figure 4 above, the higher level of fee income received by Ontario universities is not sufficient to raise operating income per student to the level found at most institutions across Canada.

Provincial Government policies directly limit or restrict the use of about 90% of total university system operating revenue to the broad category of "eligible university operating expenditures". Under the conditions set out in *The Ontario Operating Formula Manual*, formula grants and formula fees must be used for:

... any eligible university operating expenditures, i.e., all operating expenditures except those -

- in connection with assisted/sponsored research,
- for principal and interest payments on capital indebtedness,
- for student aid,

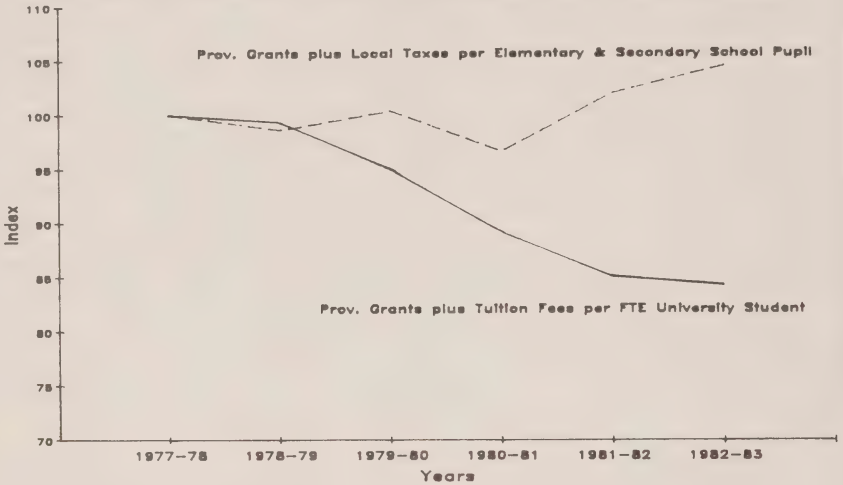
FIGURE 4
Interprovincial Comparison of Real University Revenue
Total Operating Income per FTE Student, In Constant
1977-78 Dollars: 1977-78 to 1981-82



Source: Table 10 of Appendix.

FIGURE 5

Indexes of Revenue per Student in Universities and in Elementary and Secondary Schools in Ontario: 1977-78 to 1982-83 (Constant 1977-78 Dollars, 1977-78 = 100.0)



Source: Table 11 of Appendix.

- d) for ancillary enterprises,
- e) for capital projects.⁶

However, because of the broad scope of activities permitted under "eligible university operating expenditures", the institutions retain a fair degree of flexibility in allocating these resources.

The remaining Provincial Government operating grants are generally allocated for specific purposes. However, the degree of flexibility allowed in using these grants varies significantly, with some grants not having specifically defined limitations on their use (for example, Northern Grants), while others are restricted to specific expenditures (for example, municipal tax grants). Non-formula tuition fees have no Government restrictions or limitations placed on their use.

The other external sources of operating income such as the Federal Government, municipal governments, private donors and foundations may impose restrictions or limitations on the use of funds allocated to Ontario universities. However, given the information available, it is not possible to determine the extent to which the use of these funds is restricted. Similarly, it is difficult to determine if these funds or internal sources of operating income, such as investment income or interfund transfers, have limitations placed on their use by the governing bodies of the institutions.

B.1 (c) Operating Grants

While the share of total operating income represented by Provincial Government operating grants has declined in recent years, it remains the universities' primary source of operating income. In 1982-83, Government operating grants from the Ministry of Colleges and Universities (MCU) accounted for 76.5% of total operating income, down from 81.4% in 1977-78. Since 1977-78, the universities have received

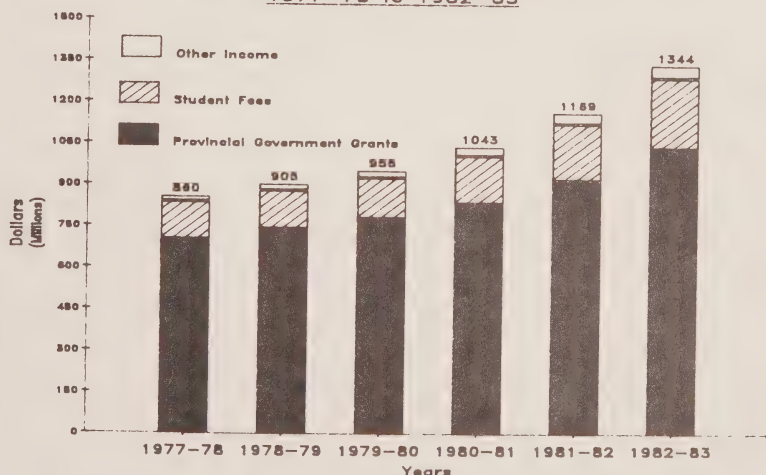
6. Ministry of Colleges and Universities, *The Ontario Operating Formula Manual*, November, 1983, p. 2.

annual increases in operating grants of 5.8%, 5.1%, 7.2%, 10.1%, 12.2% and 8.6% (1978-79 to 1983-84).⁷ Over the entire period, university operating grants increased by 59.9%. In comparison, Government budgetary expenditures (excluding debt servicing) increased annually by 6.7%, 9.9%, 12.5%, 18.4%, 12.1% and 7.7% for the same six years (1978-79 to 1983-84) resulting in an increase for this period of 88.5%. Thus, the universities' share of Government budgetary expenditures has declined since 1977-78. If the universities' share of total Government budgetary expenditure (excluding debt servicing) had been maintained at the 1977-78 level, the universities would have received an additional \$700 million over the last six years.

Table 13 of the Appendix provides a breakdown of the types of operating grants received by Ontario universities during the years 1977-78 to 1982-83 from the Ministry of Colleges and Universities. On average, each year about 98% of Ontario university grants are allocated according to an enrolment-related formula (formula grants). The remaining extra-formula or non-formula line-item grants are allocated to the institutions for particular purposes (the levels of which are determined by a variety of means). Since 1977-78, total MCU operating grants have averaged 8.9% below their 1977-78 level in constant 1977-78 dollars.

As noted previously, in comparison with universities in other provinces, Ontario universities have fared poorly in terms of Government operating support. Table 14 of the Appendix shows the provincial operating grants per FTE university student for each province in Canada, and also the weighted average grant per FTE university student for the nine provinces excluding Ontario, for the period 1977-78 to 1981-82. This indicator measures the level of government support made available to universities, taking into account the number of students supported by these funds.⁸ Over the

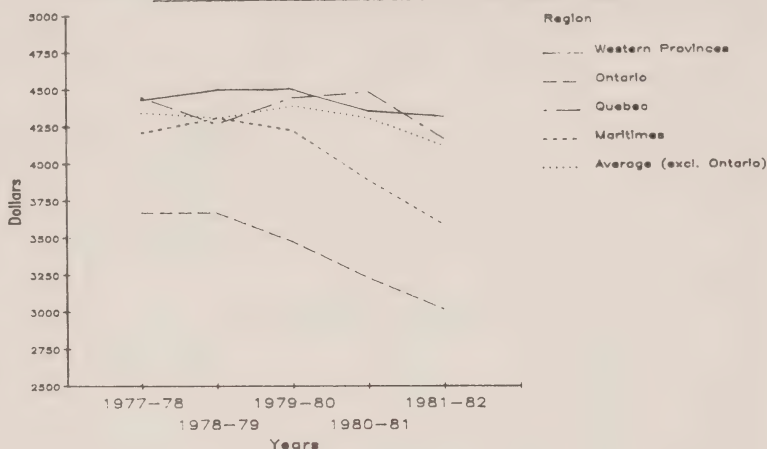
FIGURE 6
Operating Revenue by Major Source:
1977-78 to 1982-83



Source: Table 12 of Appendix.

7. The 1983-84 increase of 8.6% includes \$12 million (1.1%) as a special one-time grant towards institutional expenditures on equipment for use in teaching undergraduates and on library equipment and acquisitions.
8. Operating grants include: (i) funds provided for the operation of institutions within the province, (ii) funds provided to other provincial governments to support the training of students originating in the province but enrolled in special programs in institutions located outside the province.

FIGURE 7
Interprovincial Comparisons of Real University Grants
Provincial Operating Grants per FTE Student, in Constant
1977-78 Dollars: 1977-78 to 1981-82



Source: Table 14 of Appendix.

period indicated, Ontario declined in rank from eighth to tenth position. Since 1977-78 (1978-79 to 1981-82), Ontario universities' real operating grants per student averaged 8.8% below the 1977-78 level while real operating grants per student in the other provinces in Canada averaged, in 1977-78, 18.5% above the 1977-78 Ontario level and in subsequent years averaged 20.6% above the 1977-78 Ontario level. Ontario's position, relative to other regions in Canada (the Western provinces, Quebec and the Atlantic provinces) and to the weighted average of the other nine provinces, is illustrated graphically in Figure 7.

Information provided by the Council of Ontario Universities (COU) suggests that in terms of operating grants per student, the position of Ontario universities vis-a-vis universities in other provinces improved marginally in 1982-83 and 1983-84.⁹

In recent years, all sectors of education in Ontario have received a substantially reduced share of total Government budgetary expenditures. From 1977-78 to 1982-83, the share of total Government budgetary expenditures for elementary and secondary schools declined by 16.6%, the share for universities declined by 15.9% and the share for Colleges of Applied Arts and Technology (CAATs) declined by 12.4%. During that period, enrolment in elementary and secondary schools declined by 8.4%, whereas enrolment in universities increased by 10.7% and full-time post-secondary CAAT enrolment increased by over 46.6%.

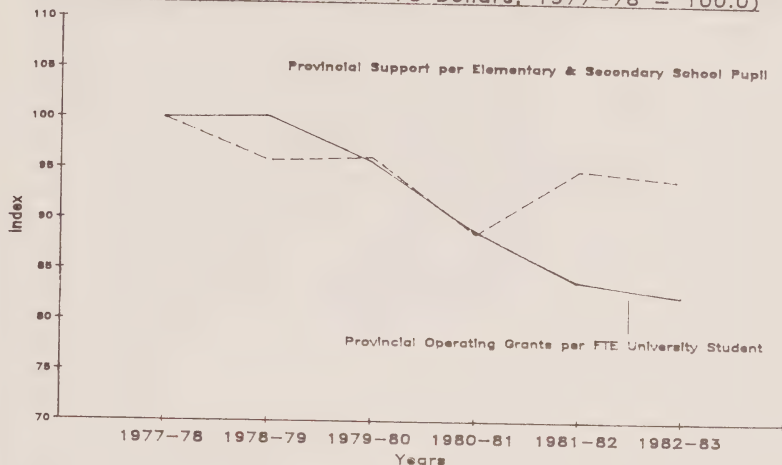
Table 15 of the Appendix presents, in constant 1977-78 dollars, indexes of provincial grants per student for universities and for elementary and secondary schools, for the period 1977-78 to 1982-83.¹⁰ Figure 8 displays the same information in

9. Council of Ontario Universities, *Brief to the Ontario Council on University Affairs on Operating Grant Requirements for 1985-86*, Table 4, p. 17.

10. Council has noted in the past the desirability of the inclusion of comparable indexes of provincial support revenue per FTE student for the other major education sector in the province – the CAATs. For the years prior to 1981-82 it is not possible to compile what Council considers to be the most appropriate comparative data – operating grants allocated to post-secondary programs per FTE post-secondary student in the CAATs. The move to formula financing for the CAATs in 1981-82, however, has enabled Council to calculate, in a rough manner, post-secondary operating grants per student for the years 1981-82 and 1982-83.

FIGURE 8

Indexes of Provincial Support per Student in Universities and in Elementary and Secondary Schools in Ontario: 1977-78 to 1982-83 (Constant 1977-78 Dollars, 1977-78 = 100.0)



Source: Table 15 of Appendix.

graphic form. During this period, university operating grants per FTE student declined in real terms by 17.5%. Provincial support per elementary and secondary school pupil also decreased in real terms by 6.0%.

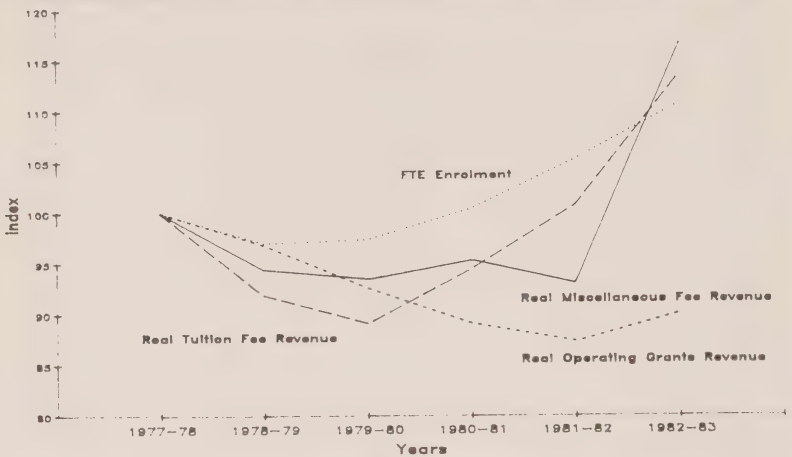
In 1982-83 post-secondary operating grants per post-secondary student in the CAATs declined in real terms by 5.8%. In comparison, provincial support per student for the universities declined in real terms by 1.7%, while provincial support per pupil for elementary and secondary schools decreased by 1.1%.

B.1 (d) Fee Revenue

As mentioned above, student fee revenue supporting operating fund activities has increased substantially in recent years. Table 12 and Figure 6 indicate that the share of total operating income from student fees increased from 16.0% in 1977-78 to 19.1% in 1982-83. Tuition fees accounted for 94.2% of total fee revenue in 1977-78. This decreased slightly to 94.1% in 1982-83. Since 1977-78, tuition fee revenue increased by 3.4%, 6.6%, 18.0%, 19.7% and 24.3% (1978-79 to 1982-83). This compares with formula tuition fee rate increases during these years of 0.0%, 5.0%, 7.5% (plus an additional 10% discretionary fee increase), 10% and 12%. The large increases in tuition revenue in the last three years have resulted from: (i) significant increases in enrolment since 1978-79 (during the period 1977-78 to 1982-83, FTE enrolment increased by 10.7%); (ii) a change in Government tuition fee policy to tie annual formula tuition fee rate increases to the annual percentage increase in operating grants, and which allows institutions to charge tuition fees up to 110% of the formula fee; and (iii) increased foreign student fee rates and numbers. By 1982-83, virtually all institutions were charging the maximum allowable tuition fees.

Income from other student fees related to operating fund activities (miscellaneous fees) increased by 91.4% during the period 1977-78 to 1982-83 but only accounted for 5.9% of total student fee revenue. This increase compares with an 86.6% increase in revenue from tuition fees and a 47.9% increase in operating grant revenue as cited above. Again, a portion of the increases in miscellaneous fee income is due to the

FIGURE 9
Indexes of Real Tuition Fee Revenue, Real Miscellaneous Fee Revenue, Real Operating Grants and FTE Enrolment: 1977-78 to 1982-83 (Constant 1977-78 Dollars, 1977-78 = 100.0)



Source: Tables 12 and 13; MCU, University Audit Reports.

increase in enrolment during this period. Figure 9 provides indexes comparing increases in tuition fee revenue, miscellaneous fee revenue, operating grants and FTE enrolment.

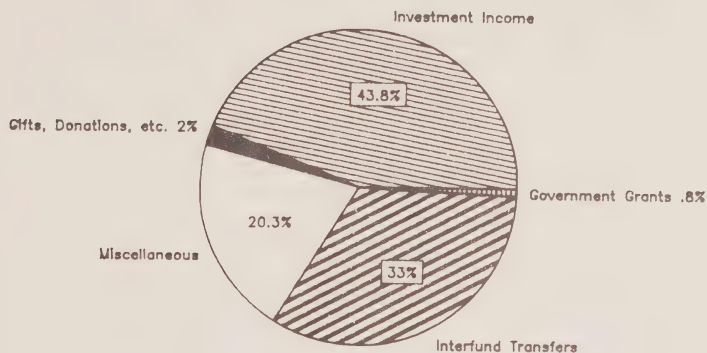
B.1 (e) Other Operating Income

Section 3 of Table 12 of the Appendix outlines the operating income from sources other than Provincial Government grants and student fees. Income from these sources accounted for only about 3.5% of total operating income in 1982-83. This "other income" - from federal, municipal and other non-provincial government grants; gifts, donations and non-government grants; investment income; miscellaneous income and interfund transfers - increased dramatically, by over 143%, since 1977-78.

As Figure 10 indicates, the largest source of other operating income in recent years has been investment income. During 1981-82 and 1982-83, Ontario universities benefited from high interest rates and realized substantial increases in investment income. Investment income for the universities increased by 145%, from \$8.4 million in 1977-78 to \$23.6 million in 1981-82, but declined to \$20.4 million in 1982-83.

The second largest source of other operating income is from interfund transfers. As noted above, most sources of income for Ontario universities have restrictions placed on their use. However, there is flexibility in the use of a limited amount of resources among funds and areas of activity. This flexibility is reflected in interfund transfers. As Table 12 indicates, in each year from 1977-78 to 1982-83, the operating fund of the Ontario university system had a net inflow of financial resources from other university funds. Over this period, there was a 268% increase in interfund transfers into the operating fund, from \$4.2 million in 1977-78 to \$15.4 million in 1982-83. These funds have come predominantly from the trust and endowment fund, with lesser amounts coming from ancillary enterprises, and, in previous years, the sponsored research fund and other (non-credit) fund. It is clear that universities have been transferring funds from areas of activity normally supported by non-Governmental sources to expend in the predominantly Government supported operating fund.

FIGURE 10
Proportion of Other Operating Income
by Source: 1982-83



Source: Table 12 of Appendix.

Total revenue from the remaining sources of "other operating income" (Federal, municipal and other government grants and contracts; gifts, donations and non-government grants; and miscellaneous income) is of relatively minor importance, equalling \$10.8 million in 1982-83.

Even though there has been substantial increase in "other operating income" in recent years, because this represents only 3.5% of total operating income it is not probable that Ontario universities will be able to augment in a substantial manner their Governmentally controlled revenue (operating grants and formula tuition fees) with continued increases in revenue from "other operating income" sources.

B.1 (f) Summary of Operating Income

The fiscal year 1977-78 was the last in which Council believes the Ontario university system received an adequate level of operating income. Since that time real operating income has declined and has remained below the 1977-78 level. The reduction in real operating income has meant that there are fewer financial resources available to be spent on the inputs of the university enterprise such as instructors, library holdings, laboratory assistants and equipment. The magnitude of this decline in resources available has been significant when compared with the increased demands placed on universities in recent years. For example, operating income per FTE student declined significantly during the period examined, a phenomenon not shared by universities in most other provincial jurisdictions nor by elementary and secondary schools in Ontario.

The decline in real financial resources available was mainly the result of constraints on the level of operating grants provided by Government. The decline in real operating grants per FTE student was even greater than that found for real operating income per FTE students and compared more unfavourably with grant levels received by universities in other jurisdictions. Council estimates conservatively, based on its past operating grants recommendations, that, at a minimum, an additional \$115 million dollars in operating income was necessary in 1982-83 to bring the level of service

provided by the universities up to the level of service provided by the universities in 1977-78 (an 11% increase).

The following section of the paper examines how the universities have reacted to this shortfall and constrained operating income in general.

B.2 OPERATING EXPENDITURES

As indicated above, since 1977-78, Ontario university system operating expenditures have increased by 55.2% in current dollars and averaged 6.9% less than the amount expended in 1977-78 in constant dollars. Not surprisingly, changes in the real level of operating expenditures during the period 1977-78 to 1982-83 have tended for the most part, to follow changes in operating revenue and not changes in demands placed on universities (such as increased enrolment). Figure 11 illustrates these relationships by presenting indexes of real changes in operating revenues, operating expenditures and changes in enrolment.

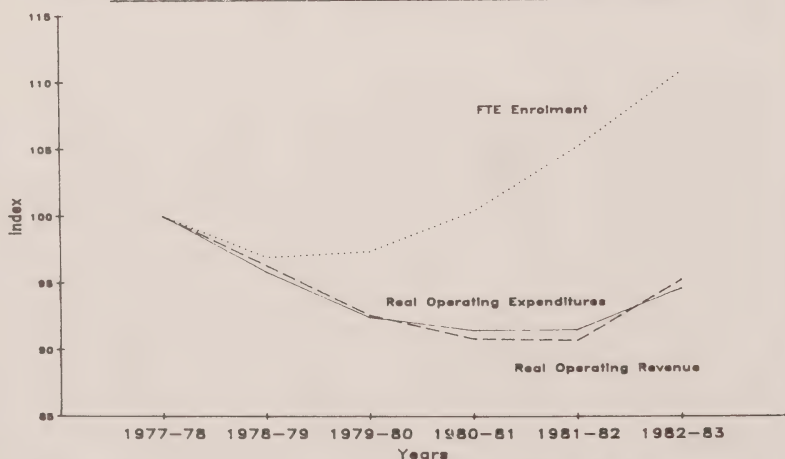
As indicated in Figure 2 and Table 2 of the Appendix, in 1982-83, 68.9% of total university expenditures went towards operating activities such as instruction, non-sponsored research, academic support services, administration and plant maintenance. This proportion has dropped since 1977-78 when it stood at 73.7%.

University operating expenditures can generally be categorized in two ways: (i) by functional areas; and (ii) by objects of expense. Functional areas refer to sectors of university activity such as instruction and research, academic support services, and administration. Objects of expense refer to those items on which funds are expended in order to carry out university activities, such as salaries and wages, benefits, furniture and equipment, and utilities.

B.2 (a) Operating Expenditures by Functional Areas

COFO-UO identifies seven functional areas or sectors of activity covered by operating expenditures: instruction and (non-sponsored) research; library; computing; student services; administration; physical plant; and other. These areas can be divided into

FIGURE 11
Indexes of Real Operating Revenue, Real Operating Expenditures and FTE Enrolment: 1977-78 to 1982-83
(Constant 1977-78 Dollars, 1977-78 = 100.0)



Source: Tables 1 and 2 of Appendix; MCU, University Audit Reports.

two main categories - academic and non-academic. The academic functional areas include instruction and (non-sponsored) research, library, and the portion of central computing used for academic computing. The non-academic functional areas of operating fund activities are student services, administration, physical plant, the remainder of central computing used for non-academic purposes, and other.

Table 16 of the Appendix displays for the years 1977-78 to 1982-83 the universities' operating expenditures under the categories academic and non-academic and by functional areas within these categories. As can be seen from this Table, there has been very little shift in the proportion of total operating expenditures going to each of the academic and non-academic functional areas. The shares of operating expenditures accounted for by instruction and research, library, and administration increased slightly, while the shares for computing and physical plant decreased slightly and student services and other remained unchanged. Figure 12 illustrates total real operating expenditures and the share of these expenditures spent on academic functions and non-academic functions for the years 1977-78 to 1982-83.

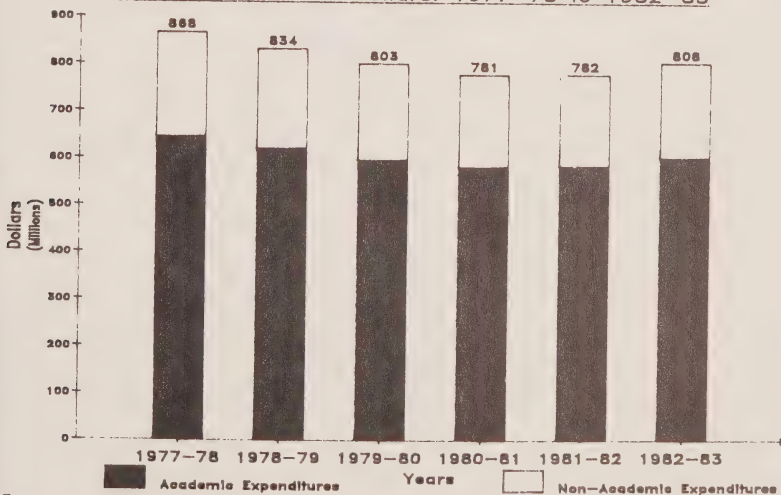
i) Academic Expenditures

Academic expenditures refer to those expenditures which directly support the primary function of universities, that of instruction and non-sponsored research and the supporting academic services of library operations and academic computer operations. In 1982-83, as illustrated in Table 16 of the Appendix, operating expenditures on academic instruction and research accounted for 74.2% of total operating expenditures. This proportion was up slightly from that found in 1977-78 (74.0%). Total academic operating expenditures increased by 53.3% during the period 1977-78 to 1982-83. Since 1977-78, real expenditures on academic activities averaged 7.3% less than in 1977-78.

One of the major factors affecting the demand for academic services is the level of enrolment. While real expenditures on academic functions declined by 6.4% from 1977-78 to 1982-83, total Ontario university FTE enrolment in credit programs/courses

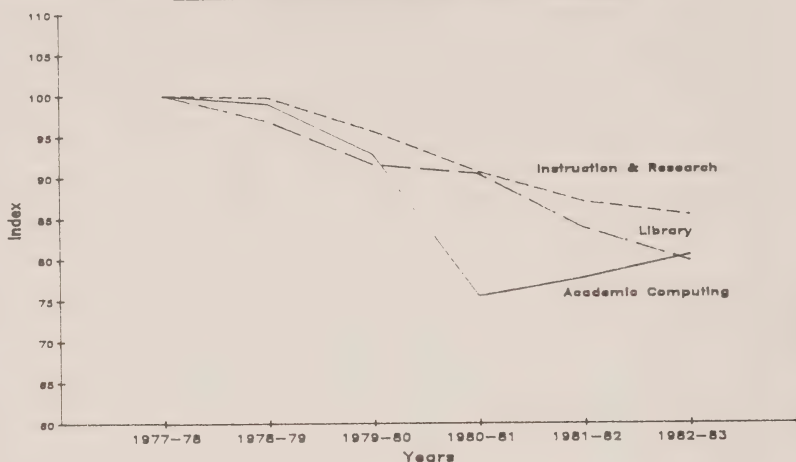
FIGURE 12

Real Academic and Non-Academic Operating Expenditures
In Constant 1977-78 Dollars: 1977-78 to 1982-83



Source: Table 16 of Appendix.

FIGURE 13
Indexes of Real Academic Operating Expenditures
per FTE Student: 1977-78 to 1982-83 (Constant
1977-78 Dollars, 1977-78 = 100.0)



Source: Table 16 of Appendix.

increased by 10.7% to record high levels - 210,956 FTE undergraduate and graduate students. During the past year, 1983-84, Ontario university enrolment increased by a further 3.4%. There are 176,414 full-time undergraduate and graduate students and 41,683 FTE part-time undergraduate and graduate students enrolled in Ontario universities and their affiliated colleges, Ryerson Polytechnical Institute, and the Ontario Institute for Studies in Education, for a total FTE enrolment of 218,097.¹¹

Figure 13 displays academic operating expenditures per FTE student in constant 1977-78 dollars for the period 1977-78 to 1982-83. As can be seen from this figure, there has been a marked decline in real academic expenditures per student, averaging 9.0% below the 1977-78 level. It is clear that while the level of enrolment has an important impact on the demands for academic services provided by universities, similar to operating expenditures in general, changes in real expenditures on academic functions show little relationship to changes in enrolment. Universities appear to have accommodated changes in total enrolment and enrolment shifts among disciplines without redirecting, in a significant way, their financial resources between non-academic and academic functional areas.

The majority of Ontario universities' operating expenditures is spent in the instruction and non-sponsored research functional area, which refers only to the credit instruction and non-sponsored research activities.¹² University expenditures in this functional area go toward the direct costs of faculties, academic departments, graduate schools, summer school, credit extension, deans' and departmental offices. As Figure 14 illustrates, credit instruction and non-sponsored research represented 64.8% of total operating expenditures in 1982-83, slightly higher than the 1977-78 level of 64.4%. Despite a 10.7% increase in enrolment by 1982-83, real expenditures

11. The enrolment data were drawn from Ministry of Colleges and Universities, *University Audit Reports: Financial Reports*, April 22, 1983, pp. 10-13 and April 5, 1984, pp. 10-13.

12. The remaining instruction (non-credit) and research (sponsored and contract) activities are accounted for under the other (non-credit) and sponsored research funds.

on credit instruction and non-sponsored research declined by 5.6% and during this period averaged 6.8% below the 1977-78 level, resulting in the significant decline in the real instruction and non-sponsored research expenditures per student indicator found in Figure 13.

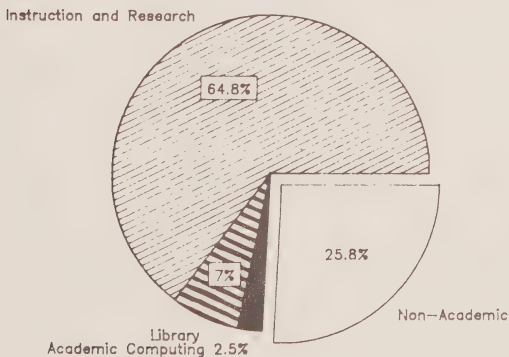
The second largest academic expenditure area is the "library" functional area. It encompasses the universities' main libraries, branches and faculty and department libraries and all purchases of books and periodicals from operating funds. The share of total operating expenditures accounted for by this functional area has also remained virtually unchanged at 7.0% since 1977-78. Total library expenditures during this period declined in real terms by 11.8%.¹³ As Figure 13 illustrates, on a per FTE student basis, real library expenditures declined by an even greater amount than real instruction and non-sponsored research expenditures during the period 1978-79 to 1982-83, averaging 11.7% less than the 1977-78 level.

The final area of academic operating expenditures is "academic computing" which is 63.4% of the total "central computing" functional area. It includes instruction, research and library-related computing activities and operations carried out by central university computing facilities, and does not include academic computing activities and operations using computing facilities that are not centrally managed. The share of total operating expenditures represented by academic central computing has changed little from the 1977-78 level of 2.6%, dropping to 2.5% in 1982-83. During the period 1978-79 to 1982-83, academic central computing expenditures averaged 13.5% below the 1977-78 level in real terms. Real academic expenditures per FTE student averaged 15.0% below the 1977-78 during the subsequent five years.

ii) Non-Academic Expenditures

Non-academic expenditures refer to those operating expenditures which do not

FIGURE 14
Academic Expenditures by Functional Area as a Proportion
of Total Operating Expenditures: 1982-83



Source: Table 16 of Appendix.

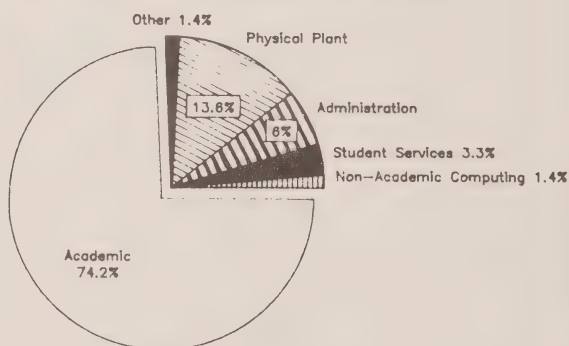
3. See Library section of Operating Expenditures by Objects of Expense for details on library acquisitions.

directly support the provision of instruction and research within Ontario universities. As noted above, these include expenditures in the following functional areas: physical plant; administration; student services; non-academic computing; and other. In 1982-83, operating expenditures on non-academic functional areas accounted for 25.8% of total operating expenditures, down from 26.0% in 1977-78. Total non-academic operating expenditures increased by 51.7% during the period from 1977-78 to 1982-83 in current dollars, and averaged 8.7% in real terms below the 1977-78 level since then.

As can be seen in Figure 15, the largest share of non-academic operating expenditures is spent on physical plant activities. Physical plant refers to the operation, management and maintenance of the physical facilities of Ontario universities and the services and costs generally provided for or covered by physical plant departments.¹⁴ As Table 16 of the Appendix illustrates, physical plant's share of operating expenditures decreased from 14.3% in 1977-78 to 13.6% in 1982-83¹⁵. It was the only non-academic functional area to experience a decline in the share of non-academic resources. Total physical plant expenditures averaged 11.8% below the 1977-78 figure in constant dollars during the period 1978-79 to 1982-83. By 1982-83, real expenditures on physical plant declined to 13.2% less than the 1977-78 level.

The share of operating expenditures accounted for by administrative expenses increased from 5.7% in 1977-78 to 6.0% in 1982-83. During this period, real expenditures on administration, planning and information costs and activities associated with the offices of the senior administration, registrar, research administration, the secretariats of the governing bodies and senates, finance and accounting, personnel,

FIGURE 15
Non-Academic Operating Expenditures by Functional Area
as a Proportion of Total Operating Expenditures: 1982-83

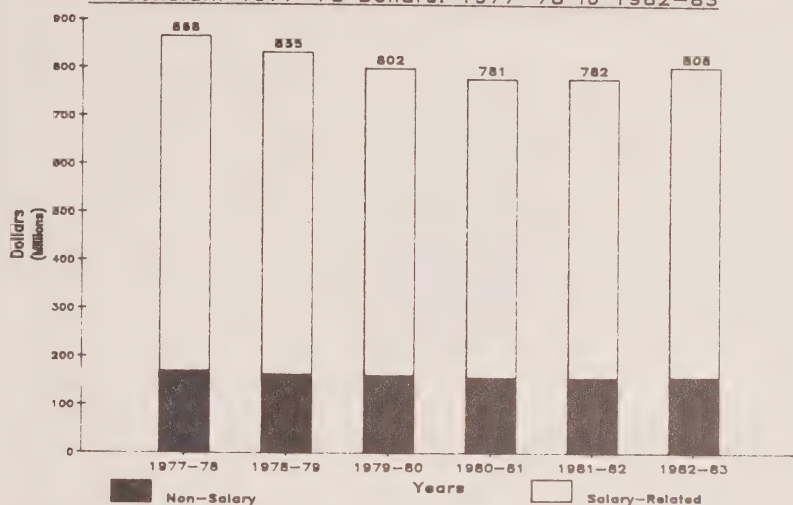


Source: Table 18 of Appendix.

14. These include physical plant administration, building maintenance, custodial services, utilities, landscape and grounds maintenance, security and traffic control, purchasing and receiving, hauling and stocking of furniture, mail and messenger delivery, property taxes, vehicles and equipment, property, fire and liability insurance, renovations, alterations and major repairs, and space rental costs.
15. In 1981-82, COFO-UO altered its definition of physical plant to include property taxes for which a compensating grant is received from the Provincial Government, where previously these property taxes were accounted for under the "Other" functional area of the operating fund. The 1977-78 to 1979-80 proportions for physical plant shown in this section of the paper are adjusted for this change in definition by including all taxes under physical plant.

FIGURE 16

Share of Salary-Related and Non-Salary Operating Expenditures
In Constant 1977-78 Dollars: 1977-78 to 1982-83



purchasing, and institutional research averaged 1.9% below the 1977-78 level, but by 1982-83 were only 0.1% below the 1977-78 level. Most administrative expenses are found in salaries, wages and benefits. Interestingly, however, the proportion of total administration expenditures on these items declined from 90.3% in 1977-78 to 83.7% in 1982-83. Non-salary administration expenditures increased substantially during this period.

The student services' share of total operating expenditures remained relatively unchanged from 1977-78 to 1982-83 at 3.3%, but averaged 10.1% less than the 1977-78 level during the period 1978-79 to 1982-83 in real terms while enrolment averaged 2.1% higher.¹⁶ The proportion of student services' operating expenditures spent on scholarship, bursaries, etc. increased from 20.3% in 1977-78 to 27.6% in 1982-83, while the salary-related expenditures' share of student services' expenditures declined from 61.5% to 54.2%.

The remaining non-academic functional areas shown in Table 16 of the Appendix, "non-academic computing" and "other", each accounted for only 1.4% of total operating expenditures in 1982-83.¹⁷ The proportion of total central computing expenditures devoted to computing activities and operations that are not related to instruction, research and library operations and carried out by central university computing facilities increased from 34.1% in 1977-78 to 36.6% in 1982-83.

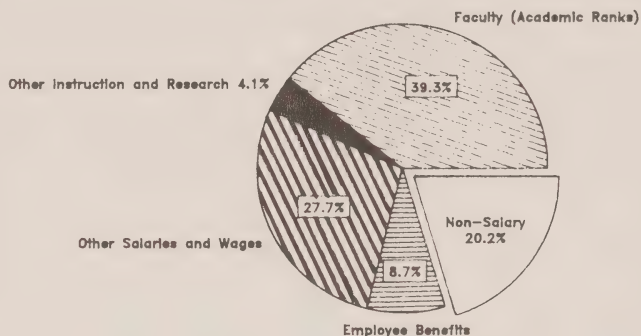
B.2 (b) Operating Expenditures by Object of Expense

As noted above, objects of expense refer to those items on which funds are expended in carrying out university activities. Objects of expense are generally divided into two categories: (i) salary-related expenditures; and (ii) non-salary expenditures. Salary-

6. The "student services" functional area includes student counselling, athletics, placement services, student housing services, Dean of Students, student transportation services, grants to student transportation services, grants to student organizations, student program costs (for example for cultural, music and drama programs), and student centre costs.

7. The "other" functional area covers the remaining operating fund activities and expenses, including: the development office, alumni office, public relations, the administration of safety programs, convocation and ceremonies, professional fees, and insurance (excluding that covered by the physical plant function).

FIGURE 17
Salary-Related Expenditures by Object of Expense
as a Proportion of Total Operating Expenditures: 1982-83



Source: Table 17 of Appendix.

related operating expenditures include the salaries, wages and benefits of faculty and staff. Non-salary operating expenditures include expenditures on library acquisitions, equipment and furniture, utilities, operational supplies and expenses and others. A breakdown of the objects of expense that comprise operating expenditures and their values for 1977-78 to 1982-83 is found in Table 17 of the Appendix. Figure 16 illustrates graphically the proportion of real operating expenditures accounted for by salary-related and non-salary expenses during this period.

i) Salary-Related Expenditures

The majority of university operating expenses is in salaries, wages and benefits of faculty and staff. The proportion of operating expenditures accounted for by this area declined slightly from 80.6% in 1977-78 to 79.8% in 1982-83. During this period expenditures increased by 61.1% from \$699.8 million to \$1,059.3 million, a real decline of 6.8%.

Figure 17 provides a breakdown of the share of Ontario universities' salary-related expenditures accounted for by each salary-related object of expense. Of the total operating fund salary-related expenditures, faculty and staff benefits account for only a small portion. In 1982-83, about \$116 million of the more than \$1,059 million in operating fund salaries, wages and benefits expenditures was spent on employee benefits. The remainder of these expenditures went towards the costs of faculty and staff salaries and wages.

Faculty Salaries and Complement

The largest share of operating fund salaries and wages expenditures is spent on faculty salaries.¹⁸ The proportion of total operating fund salaries and wages accounted

¹⁸ Faculty salaries include the salaries of any full-time or part-time university staff members who hold academic rank in institutions, from lecturers to deans inclusive. The salaries and benefits of these staff members are found in the instruction and (non-sponsored) research functional area of the operating fund.

for by faculty salaries increased from 54.1% in 1977-78 to 55.2% in 1982-83. Total university operating expenditures on faculty salaries increased during this period by 53.1% from \$340 million to \$521 million. Over the same period, mean salaries for full-time faculty at Ontario universities rose by 57.4% from \$28,197 to \$44,388, while CPI increased by 62.4%. Thus, faculty salaries have fallen in real terms since 1977-78.

Data from COU found in Table 18 of the Appendix show that from 1977-78 to 1979-80 the number of faculty in Ontario universities declined by 1.7%. Since then, the faculty complement has increased to the point where in 1982-83 there were 13,268.9 FTE faculty members, two more than found in 1977-78. During the period 1977-78 to 1982-83, full-time tenure stream positions increased by 259 or 2.6%, while full-time limited term positions declined by 120 or 7.3%, and FTE part-time faculty declined by 137 or 7.5%. There has been a shift in the proportion of faculty complement represented by tenured faculty, increasing from 73.9% to 75.9% over this period.

During this period, student/faculty ratios increased. In 1977-78, there were 14.4 FTE students per FTE faculty member in the province. By 1982-83, there were 15.9 FTE students per FTE faculty member - a 10.4% increase in this ratio.

Non-Faculty Salaries and Complement

Council has observed in previous financial papers that the salaries of non-faculty staff have, in real terms, declined more than faculty salaries. Unfortunately, unlike that for academic staff, Council does not have complete information on salary levels and complements for these university employees for the entire 1977-78 to 1982-83 period. Complete data for non-faculty staff are, however, available for the most recent three years - 1980-81 to 1982-83. During that period, mean non-academic staff salaries and wages increased by 26.9% from \$16,544 to \$20,989. During the same period mean faculty salaries increased by 26.3% while CPI increased by 22.6%. From 1980-81 to 1982-83, the number of FTE non-academic staff declined by 7.7%, while the number of faculty increased by 1.6%.

COFO-UO divides the salaries of non-faculty staff into two categories: (i) other instruction and research, and (ii) other salaries and wages. The other instruction and research category refers to staff members without academic rank:

... who are engaged in instruction and research as instructors, tutors, markers, demonstrators, teaching assistants, research assistants, investigators, clinical assistants, post-doctoral fellows, and others . . .¹⁹

From 1977-78 to 1982-83, the share of total operating fund salaries and wages represented by other instruction and research declined from 6.1% to 5.8%. During this period, salary expenditures for other instruction and research employees increased 42.1% and declined in real terms by 12.5%.

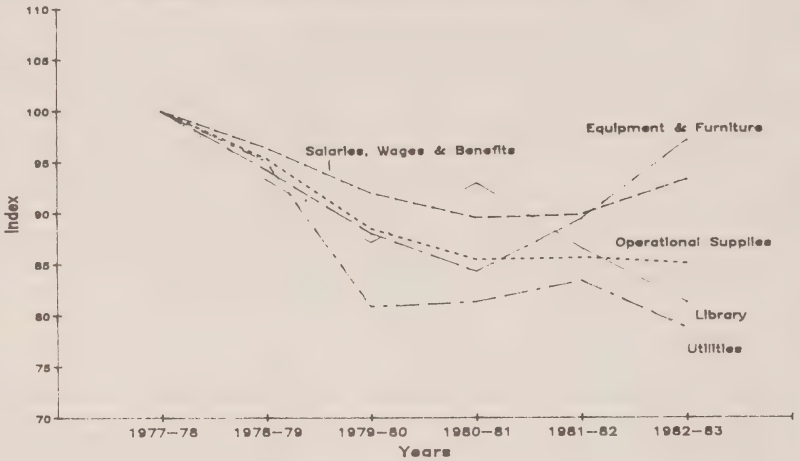
The salaries, wages and payments of non-instructional staff are found under "other salaries and wages". This includes the salaries of technicians, clerks, secretaries, professional and management employees, janitors, tradesmen and maintenance workers. These activities are found in all functional areas of the operating fund. The proportion of total operating fund salaries accounted for by this category of non-faculty staff has also declined slightly since 1977-78 from 39.8% to 39.0% in 1982-83. During this period, salary expenditures for non-instructional staff increased by 46.8% in current dollars and averaged 9.7% below the 1977-78 level in real terms.

There have been some significant shifts in expenditures on non-instructional salaries among functional areas of the operating fund since 1977-78. The most significant changes have occurred in the instruction and non-sponsored research, the

9. Committee of Finance Officers - Universities of Ontario, *Financial Report of Ontario Universities: 1982-83*, Volume 1, p. 10.

The salaries, wages and benefits of these staff members are found only in the instruction and (non-sponsored) research functional area of the operating fund.

FIGURE 18
Indexes of Real Operating Expenditures by Major
Object of Expense: 1977-78 to 1982-83
(Constant 1977-78 Dollars, 1977-78 = 100.0)



Source: Table 17 of Appendix.

physical plant and student services functional areas. The proportion of non-instructional salary expenditures devoted to supporting instruction and non-sponsored research increased from 32.8% in 1977-78 to 35.3% in 1982-83. On the other hand, the proportions of non-instructional salary expenditures spent on physical plant salaries declined from 21.9% to 19.5% and those spent on student services declined from 6.3% to 5.7%.

ii) Non-Salary Expenditures

In 1977-78, Ontario universities expended \$168.6 million or 19.4% of total operating expenditures on non-salary items. By 1982-83 these expenditures had risen by 59.0% to \$268.0 million and represented 20.2% of total operating expenditures. However, this increase in the proportion of total operating expenditures for non-salary items may be misleading. During this period, the prices of non-salary items as measured by OUNSPI increased by 74.1%, while salary-related costs as measured by CPI increased by only 62.4%. Whereas salary expenditures declined by 7.7% in real terms from 1977-78 to 1982-83, non-salary items declined almost equally by 7.4%. Figure 18 provides indexes of real changes in expenditures on the major objects of expense for the years 1977-78 to 1982-83.

Table 17 of the Appendix provides a breakdown of the types of non-salary expenditures incurred by universities for the years 1977-78 to 1982-83. Figure 19 displays the share of non-salary operating expenditure accounted for by the major non-salary objects of expense in 1982-83.

Operational Supplies and Expenses

The largest non-salary expenditure category is operational supplies and expenses. It includes, among other things, postage, duplication, publication, telephone charges, repair materials and office supplies. Expenditures in this area have increased by only 45.7% since 1977-78 (a real decline of 15.1%), resulting in a decline in share of

non-salary operating expenditures from 30.2% in 1977-78 to 27.6% in 1982-83.²⁰

Utilities

Ontario universities' expenditures on fuel, electricity, water, gas and telephone equipment rental and installation increased by 40.2% from 1977-78 to 1982-83. The share of non-salary operating expenditures spent on these utilities declined from 20.6% to 18.2%. The universities have effected considerable savings in this area of operation. Utility costs have increased by 40.2% during this period, implying a reduction in real utility expenditures of 21.3%.

Equipment and Furniture Expenditure

The equipment and furniture category of expenditures includes expenses for laboratory equipment, administrative equipment and furnishings, copying and duplicating equipment, computing equipment, maintenance equipment and furniture.²¹ It is evident from Figure 18 that the real value of equipment and furniture purchase and rental expenditures has declined substantially in recent years. During the period 1978-79 to 1982-83 real expenditures on equipment and furniture purchases and rentals averaged 9.5% less than in 1977-78. By 1982-83, however, real equipment and furniture purchases were 6.4% greater than in 1977-78.

Equipment and furniture purchase and rental expenditures' share of non-salary operating expenditures increased from 14.7% in 1977-78 to 14.8% in 1982-83. In 1982-83, 46.5% of equipment and furniture expenditures were spent in the instruction and (non-sponsored) research functional area, and 36.8% were accounted for by central computing. During the period 1977-78 to 1982-83 the proportion of these expenditures in central computing, library and physical plant functional areas declined, while the proportion spent in the remaining functional areas increased (particularly administration).

Library Acquisitions

The total value of Ontario universities' expenditures on purchases of books, periodicals, microfilms, microfiche and other reference materials for their main, branch and faculty or departmental libraries declined by 18.8% in constant dollars during the period 1977-78 to 1982-83 as illustrated in Figure 18. The share of total non-salary operating expenditures devoted to library acquisition increased slightly from 10.4% in 1977-78 to 10.5% in 1982-83.²²

As Council has noted in the past, the severity of the decline in library acquisitions can be attributed not only to the pressures of general financial constraints, but also to extraordinary increases in the prices of books and periodicals. As shown in Table 17 of the Appendix, library acquisition expenditures increased by about 61.1% from 1977-78 to 1982-83. At the same time, the prices of monographs and periodicals increased by about 85% and 112%, respectively.

Other Non-Salary Expenditures

The remaining objects of operating expense and their values for the years 1977-78 to 1982-83 are found in Table 17 of the Appendix. "Other expenditures" on renovations, alterations and major repairs; externally contracted services; scholarships and bursaries; taxes; principal and interest repayments; land and site services; buildings;

20. Prior to 1980-81, equipment and furniture maintenance was not reported as a separate category of expenditure by COFO-UO. A large portion of these expenditures was reported under operational supplies and expenses. To ensure reasonably consistent inter-year comparisons, expenditures on maintenance of equipment and furniture for the years 1980-81 to 1982-83 are included in underlying operational supplies and expenses figures used in these calculations.

21. Over 80% of expenditures on equipment and furniture are devoted to equipment expenditures, including computer costs.

22. The price deflator used to calculate constant dollar values for 1978-79 to 1982-83 was the books and periodicals component of OUNSPI.

miscellaneous; and internal cost allocations have increased by 90.8% since 1977-78 to \$77.6 million.

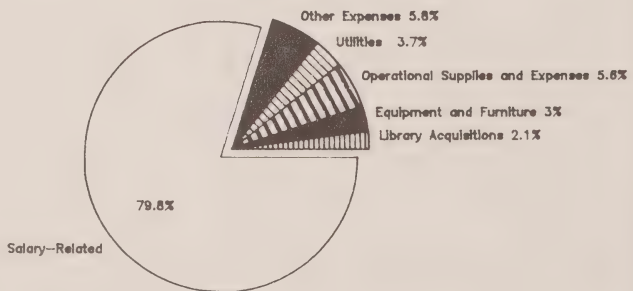
The largest objects of expense in recent years have been miscellaneous expenditures (\$29.2 million in 1982-83), externally contracted services (\$16.9 million in 1982-83), renovations, alterations and major repairs (\$15.1 million in 1982-83), and scholarships and bursaries (\$12.0 million in 1982-83). Expenditures on these objects of expense increased by 41.1%, 41.6%, 56.5% and 108.6% respectively since 1977-78. The remaining objects of expense - taxes, principal and interest repayment, land and site services, building and internal cost allocations - also increased considerably to \$4.6 million in 1982-83.

B.2 (c) Summary of Operating Expenditures

Since 1977-78, Ontario universities have responded to the constraints placed on their operating revenue by constraining their operating expenditures. At the same time, however, demands placed on these institutions have increased. This is particularly evident in the area of academic instruction where enrolments have fluctuated, declining slightly and, in recent years, increasing to record levels. On the other hand, faculty numbers generally remained stable. Student/faculty ratios have increased by over 10% since 1977-78 while academic expenditures per FTE student have declined by over 15% in constant 1977-78 dollars.

As the analysis above indicates there has been very little shift in the proportion of operating expenditures going toward each university functional area in response to the income constraints experienced in recent years. Institutions have constrained expenditures relatively consistently across the board as opposed to selective cuts in areas of low priority and enhancements of areas of high priority. This may not be surprising given that one functional area, instruction and non-sponsored research, accounts for almost 65% of operating expenditures and encompasses a broad range of university activity. The financial information available to Council does not, for

FIGURE 19
Non-Salary Expenditures by Object of Expense as a
Proportion of Total Operating Expenditures: 1982-83



Source: Table 17 of Appendix.

example, allow for an analysis of the shifts in resources that have taken place at the faculty and department level to accommodate shifts in student preferences. Despite some shortcomings in the information available, it is evident that some key university functions have suffered more severe declines in real expenditures than most. However, the differences are not great. In particular, expenditures on the functional areas of academic computing, library, physical plant and student services declined in real terms by a greater rate than did the other functional areas.

Similarly, of the major objects of expense, library acquisitions, operational supplies and expenses, utilities, and the two non-faculty salary categories of other instruction and research and other salaries and wages declined more severely than did other objects of expense. The functional areas mentioned accounted for 26.4% of total operating expenditures in 1982-83 while the objects of expense accounted for 43.2% of total operating expenditures in the same year. To a lesser extent the remaining functional areas also experienced declines in real expenditures. From the data available, it appears that the shifting of resources into priority areas has been limited and, for the most part, where shifts have occurred they have not been dramatic.

The impact of the combination of across the board reductions in real expenditures of about 7% and an increase in FTE enrolment of over 10% is difficult to quantify and to put into perspective. This combination results in a significant decline in expenditures per student in student-related academic and non-academic functional areas such as academic computing instruction and non-sponsored research, library and student services. At the same time, faculty numbers remained relatively unchanged while non-faculty staff complements were reduced. Given these considerations, Council concludes that the "inputs" into students' university experience have been diminished. To what extent is uncertain.

(C) THE CAPITAL FUND

The capital fund of Ontario universities reflects the revenue available and funds expended for capital purposes, including the costs of major renovations, alterations and repairs along with new construction. In 1982-83, about 2.2% of total university system revenue and 2.4% of total university system expenditures were accounted for by the capital fund. As Tables 1 and 2 of the Appendix indicate, the proportions of total resources available and expended have declined sharply since 1977-78 when they stood at 3.7% of total revenue and 4.3% of total expenditures while the demands placed on the physical plant and other capital resources of the universities have increased.

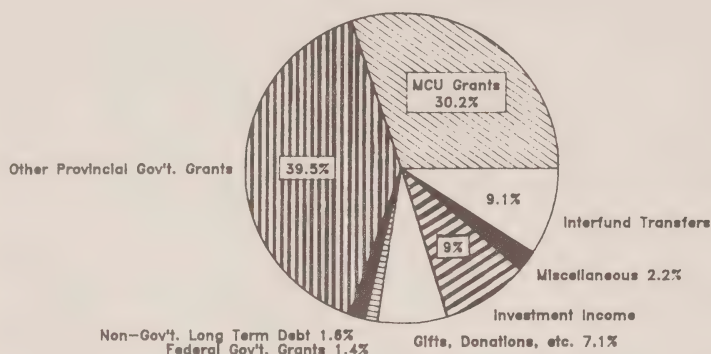
C.1 CAPITAL INCOME

Since 1977-78, Ontario universities' capital income has declined by 3.9% in current dollars and by 38.8% in constant 1977-78 dollars. The resource constraints on capital activity have been more severe than the activities found in any other university fund. In fact, this is the only fund to experience a decline in current dollar revenue since 1977-78.

The universities have very little flexibility in the use of the majority of their capital income. Provincial Government capital grants are generally allocated on a project by project basis according to set criteria. MCU capital grants are allocated according to ministerial discretion after project review. The capital projects submitted by universities are assessed individually according to the conditions, guidelines and criteria set out by Council in Advisory Memorandum 76-VIII. The flow of funds for these projects is controlled by the Ministry as the projects progress.

Other Provincial Government capital grants are also tightly controlled. For example, the procedures for capital grants from the Board of Industrial Leadership and Development (BILD) follow closely those set out for the Ministry of Colleges and Universities. The criteria for grant eligibility and priorities differ from the MCU grants, but these grants are administered by MCU officials for BILD.

FIGURE 20
Proportion of Capital Income by Source:
1982-83



Source: Table 19 of Appendix.

Table 19 of the Appendix provides a breakdown of the total capital income of the universities for the period 1977-78 to 1982-83. Non-Provincial Government sources of capital income declined by 12.8% during the period 1977-78 to 1982-83. On the other hand, Provincial Government capital funding remained relatively unchanged, increasing by 0.5% during this period. Clearly, unlike other areas of university activity, provincial capital grants are becoming increasingly important for the funding of capital projects. Figure 20 displays the proportion of capital income accounted for by various sources in 1982-83.

C.1(a) Capital Grants

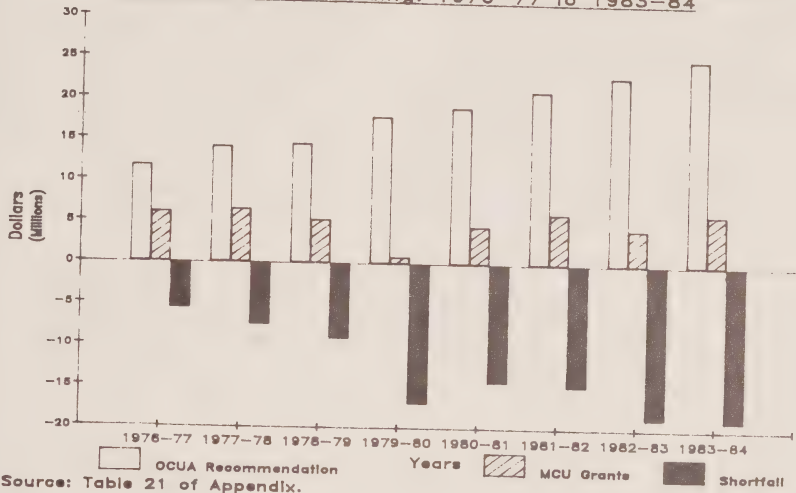
The capital investment by the Government of Ontario in land, building and other physical assets of the Ontario university system is shown in Table 20 of the Appendix. Of the more than one billion dollars Government has invested in the system through capital grants and debentures since 1944, over 80% occurred between 1964-65 and 1973-74. Since that time there has been little or no capital expansion and capital funding for repairs, renovations and replacement projects has been increasingly restricted.²³

Ontario universities received MCU capital grant allocations of \$15.2 million, \$13.5 million, \$13.5 million, \$13.5 million, \$14.3 million and \$12.2 million in each of the last six years (1978-79 to 1983-84). It is apparent from both Tables 19 and 20 of the Appendix that there is an increasing tendency by Government to provide capital projects' grants outside the normal MCU capital grants process. These grants are

23. The difference in capital grant figures found in Tables 20 and 21 of the Appendix from those found in Table 19 of the Appendix can be attributed to the use of two different sources of data. The data found in Tables 20 and 21 of the Appendix are from the Ministry of Colleges and Universities while the data found in Table 19 are from COFO-UO reports. The differences in the figures listed are a consequence of: the difference in fiscal years for Government and the universities and differences in defining capital activity used by Government and universities which results in MCU "capital grants" being reported outside of the capital fund and other grants being reported in the capital fund.

FIGURE 21

OCUA Capital Funding Recommendations for Major Repair, Renovations and Replacement Projects, Government Grants, and Shortfall in Funding: 1976-77 to 1983-84



awarded according to criteria different from the MCU capital grants and in many instances have a different purpose. In 1982-83, for example, an additional \$10.0 million was made available for repairs to university buildings through the BILD Summer and Winter job creation programs. In 1983-84, a further \$7.4 million was made available as a special capital works acceleration program coordinated by BILD. This job initiative "is targetted primarily to regions of the province with higher levels of unemployment" and will provide \$18.6 million to the universities over two years.²⁴

Table 21 of the Appendix shows Council's advice on the capital requirements of the universities and the actual grants made available since 1976-77. Council has consistently recommended to Government that, to maintain Ontario's substantial capital investment in the university system, 1% of the replacement value of the space inventory of the universities be provided annually for new major repairs, renovations and replacement projects (excluding any amounts necessitated by carry-overs).²⁵ Table 21 indicates that Government funding for this purpose has fallen well short of Council's recommendations. Figure 21 displays graphically this shortfall in capital funding for the years 1976-77 to 1983-84. For 1983-84, Council recommended that \$25.3 million be provided, but only \$6.4 million has been made available. Even when the \$7.4 million from the BILD program is taken into account, Government support for the maintenance of capital investment fell \$11.5 million short of Council's recommendations for 1983-84.

As mentioned above, Council's capital funding recommendations pertain to new major repairs, renovations and replacement projects. However, in recent years, as shown in Table 21 of the Appendix, the majority of Government capital support has been directed towards the continued funding (carry-over) of existing major repairs, renovations and replacement projects and carry-over costs of projects involving the construction of additional space. The funding, even for these projects, has been restricted severely in recent years.

24. 1983 Ontario Budget, May 10, 1983, p. 10.

25. See Advisory Memorandum 77-IV for further information on Council's capital recommendation.

C.1 (b) Other Capital Income

Capital income from sources other than Provincial Government grants accounted for 30.4% of total capital income in 1982-83. As Table 19 of the Appendix indicates, income from non-government borrowing, Federal Government grants and contracts, fees, gifts, donations and non-government grants, investment income, miscellaneous income, and interfund transfers declined by 12.8% from 1977-78 to 1982-83.

A substantial portion of this reduction came from reduced borrowings by the universities, dropping from \$6.1 million in 1977-78 to \$0.7 million in 1982-83. Income from gifts, donations and non-government grants, investment income and miscellaneous sources fluctuated throughout this period. At the end of this period, revenue was less than at the beginning of the period for gifts, donations and non-government grants (-3.4%) and miscellaneous income (-10.0%). On the other hand, in 1982-83 investment income was 20.4% higher than in 1977-78. Income from these four sources in 1982-83 was one third less than the income from these sources in 1977-78.

Given the constraints on the traditional sources of Governmental and non-Governmental sources of capital it is not surprising to see a steady rise in interfund transfers from other funds into the capital fund during the period 1977-78 to 1982-83. During this period interfund transfers increased by 204.1% and the share of total capital funding increased from 2.9% to 9.1%. Thus the universities have been augmenting their capital income with revenues from other funds.

C.2 CAPITAL EXPENDITURES

Total Ontario universities' capital expenditures declined by 9.4% from 1977-78 to 1982-83. As illustrated in Table 22 of the Appendix, during this period, there were major shifts in expenditures within the capital fund.

The majority of capital expenditures is spent on building construction costs. This object of expense includes the direct building construction costs as well as the planning costs associated with such construction and any costs incurred during construction such as utilities. Expenditures on building construction declined by 36.2% from \$36.8 million in 1977-78 to \$23.4 million in 1982-83. During this period the proportion of total capital resources spent on building construction declined from 73.2% in 1977-78 to 51.6% in 1982-83.

The major increases in capital expenditures that occurred during the period 1977-78 to 1982-83 were in renovations, alterations and major repairs, and equipment and furniture purchases. Expenditures on major renovations, alterations and repairs increased by 121.7% and the share of total capital expenditures increased from 12.8% to 31.3% during this period. Equipment and furniture expenditures increased by 59.7% and the share of capital expenditures increased from 8.0% to 14.2%.

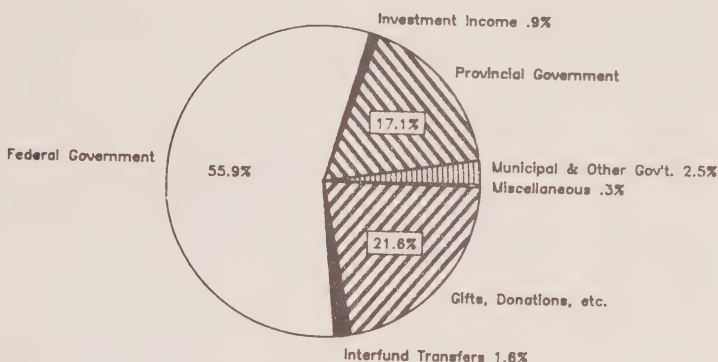
(D) THE SPONSORED RESEARCH FUND

The sponsored research fund of Ontario universities accounts for government and private sources of external grant support specifically available for and expended on research activities and projects. In 1982-83, about 14.1% of total university system revenue and 14.4% of total university system expenditures were accounted for by the sponsored research fund. As Tables 1 and 2 of the Appendix indicate, these proportions of total resources available and expended increased significantly since 1977-78 when they stood at 10.9% of total revenue and 10.8% of total expenditures.

D.1 SPONSORED RESEARCH INCOME

Figure 22 displays the proportion of total sponsored research income accounted for by major sources of income. As can be seen by this figure, most of the universities' sponsored research revenue comes from Government sources. These include: i) the federal granting agencies - Natural Sciences and Engineering Research Council (NSERC), the Medical Research Council (MRC) and the Social Sciences and

FIGURE 22
Proportion of Sponsored Research Income by Source:
1982-83



Source: Table 23 of Appendix.

Humanities Research Council (SSHRC); ii) contracts with various departments of the federal government; and iii) contracts with ministries in the provincial government. Table 23 of the Appendix outlines the sources of sponsored research funding received in the years 1977-78 to 1982-83. Total sponsored research has increased by 114.2% over this period, with the share of Federal Government sponsored research decreasing from 58.8% to 55.9% and the Government of Ontario's share decreasing from 18.2% to 17.1%. Interestingly, the share of total sponsored research funding from non-government grants, gifts and donations increased from 16.7% in 1977-78 to 21.6% in 1982-83.

The funding of sponsored research in the universities from NSERC, MRC and SSHRC improved slightly in 1983-84. However, in order for the Federal Government's Research and Development (R and D) expenditure target of 1.5% of Gross National Product by 1985 to be realized, university R and D expenditures must increase annually by 9%.²⁶

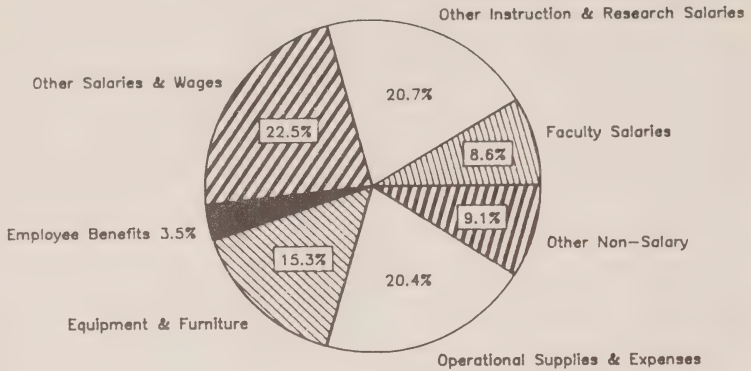
D.2 SPONSORED RESEARCH EXPENDITURES

Total Ontario universities' sponsored research expenditures increased by 34.5% in real terms from 1977-78 to 1982-83. Table 24 of the Appendix outlines the universities' sponsored research expenditures by object of expense for the years 1977-78 to 1982-83. As can be seen from Figure 23, the majority of sponsored research expenditures goes toward salary-related expenditures. However, the share of total sponsored research expenditures associated with salary-related expenditures declined from 59.2% in 1977-78 to 55.1% in 1982-83. On the other hand the share of sponsored research expenditures accounted for by equipment and furniture purchases doubled during this period from 7.7% to 15.3%.

Research was one of the main topics of discussion at Council's 1983 Spring hearings. Council was impressed with the effort and the accomplishments of Ontario

²⁶. Ministry of State for Science and Technology - Canada, *The Government of Canada's Investment in Science*, 1982, p. 8.

FIGURE 23
Proportion of Sponsored Research Expenditures
by Object of Expense: 1982-83



Source: Table 24 of Appendix.

universities in this vital area of university endeavor. A major concern of the institutions was the high overhead or indirect costs of carrying out sponsored research. The residual direct costs and the indirect costs of sponsored research, including such costs as library, computer, administrative and physical plant resources, and technical support staff, have had to be covered by operating grants provided by the provincial Government. It is difficult to determine from COFO-UO information the size of overhead charges made by the universities. Such overheads can be included under the specific object of expense or they may be included under internal cost recoveries. The recently released study by the Canadian Association of University Business Officers (CAUBO), indicates that the overhead or indirect costs of research activity amount to an additional 50% of the direct cost of research when space and capital costs are excluded, and almost 80% of direct cost if capital replacement costs are included.²⁷

In reference to problems of indirect costs of research, the University of Waterloo concluded its 1983 brief to Council with the statement that: "... the continued erosion of base funding to subsidize research costs is detrimental to the institution, students, faculty and staff and, ultimately, to the research itself".²⁸ The University of Guelph concluded in its brief to Council that:

Faced with this situation, the university has only three choices: first to curtail research, second to sacrifice the teaching programs, many of which are already underfunded, or third, to somehow recoup from the granting agencies a greater share of research overhead.²⁹

27. Canadian Association of University Business Officers, *Report of the Study on the Costs of University Research*, 1982, p. 16.

28. University of Waterloo, *Brief to Ontario Council on University Affairs*, April 7, 1983, p. 6.

29. University of Guelph, *Material for the Ontario Council on University Affairs Hearing with the University of Guelph*, 1983, p. 12.

Conclusion

Council has stated on a number of occasions that it believes that the Ontario university system has received an inadequate level of income since 1977-78. During the period 1978-79 to 1982-83, total university revenue averaged 3.9% below the 1977-78 level in constant 1977-78 dollars, while FTE enrolment averaged 2.1% above the 1977-78 level. This disparity has grown to the point where, in 1982-83 enrolment was 10.7% above the 1977-78 level compared with real income 1.1% higher than in 1977-78. Cumulatively, the universities have absorbed a \$255 million reduction in real income (1977-78 dollars) and a \$267 million reduction in real expenditures over the period 1977-78 to 1982-83. Real income has declined most severely in the operating fund and capital fund, both of which receive the majority of their income from Government.

As a result of the preceding analysis and past study, Council concludes that restrictions on Government funding since 1977-78 have been the main cause of the growing disparity between the level of service demanded of the universities of Ontario and the level of income available to carry out the universities' responsibilities. The share of total income from provincial sources has dropped from 63.5% in 1977-78 to 58.0% in 1982-83. Government operating grants and capital grants averaged 9.9% and 36.5% below their respective 1977-78 levels in real terms. In comparison with universities in other provincial jurisdictions, by 1981-82 Ontario universities received the lowest level of operating grants per FTE student and the second lowest level of operating income per FTE student in the country.

While revenue supporting operating fund activities remains heavily dependent on Government grants, the burden of support of operating fund activities has shifted somewhat to other sources of revenue such as student fees. There are, however, limits to the flexibility universities have in increasing revenue for operating fund activities such as credit instruction and non-sponsored research. Those constraints are the result of restrictions placed on the use of various sources of income by Government (student tuition fees), private donors and practical limits on the ability of universities to substantially increase revenue from non-Government sources. While other sources of operating income have become more important in recent years it is unrealistic to expect that the deficiencies in the level of Government grants can be overcome by increasing revenue from other sources. In particular, Council feels strongly that the universities should not be expected to increase their flexibility in interfund transfers from the trust and endowment fund to the operating fund for use on general operating expenditures. Such behaviour may reduce donor receptiveness to future fund-raising campaigns.

In examining the flexibility universities have in using existing sources of funding, Council found the limits on the flexibility in expending most major sources of income within each fund varied from fund to fund. In the operating fund, over 90% of the universities' income is determined by Government. However, for the vast majority of this funding, the limitations on use are minimal. This is not the case for capital funding. Virtually all Government-generated funding is tightly controlled on a project-by-project basis.

The universities have responded to funding constraints by constraining expenditures relatively consistently across the board as opposed to selective cuts in areas of low priority and enhancements of areas of high priority. There has been very little shift in the proportion of operating expenditures going toward each functional area or object of expense. There have been some exceptions which, while not dramatic, should be noted. Real operating expenditures on academic computing, library, physical plant and student service functional areas of the operating fund have declined at a greater rate than those in other functional areas. Similarly, real expenditures on library acquisitions, operational supplies and expenses, utilities and non-faculty salaries and wages have declined by a greater margin than other objects of expense.

While unable to measure the effect of restricted funding on the quality of the "outputs" of Ontario universities (educated graduates and scholarly research), Council's analysis sheds some light on what has happened to the "inputs" of the university enterprise. Coinciding with the reductions in real operating expenditures mentioned above has been an increase in student/faculty ratios of over 10%. When measured in constant dollars, there have also been significant reductions in student-related expenditures per student; i.e., library, academic computing, student services, and instruction and non-sponsored research. In addition, the physical plant continues to deteriorate as: demands placed on it increase to record levels; support staff levels decline as demands for their services increase; equipment renewals are delayed as the need for up-to-date equipment for teaching and research becomes more critical; and the ability to cover overhead costs of sponsored research diminishes, placing future research projects in jeopardy. Council, therefore, concludes that there has been a reduction in the quality of the "inputs" into a university education in recent years. The impact of this on the "outputs" remains uncertain. These problems must be addressed by both Government and the universities with an eye to reversing the trend and identifying those areas of university activities that must be given priority in the future.

Appendices

Table 1

Total University System Revenue and Type of Fund: 1977-78 To 1982-83 (\$000)

	1977-78		1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	\$	% Share					\$	% Share
General Funds:								
Operating (1)	859,819	73.5	904,581	955,316	1,043,126	1,169,112	1,343,563	69.1
Other (Non-credit) (1)	9,869	0.8	10,822	14,091	15,085	16,625	25,854	1.3
Ancillary Enterprises	95,785	8.2	101,221	114,494	127,044	137,895	193,929	10.0
Restricted Funds:								
Sponsored Research (1)	128,049	10.9	144,439	168,528	195,790	251,246	274,338	14.1
Trust and Endowment (1)	32,488	2.8	39,549	40,179	53,394	59,115	63,763	3.3
Capital (1)	43,530	3.7	28,820	25,876	41,930	44,731	41,818	2.2
TOTAL (1)	1,169,540	100.0	1,229,432	1,318,484	1,476,369	1,678,724	1,943,265	66.2

(1) 1977-78 to 1979-80 figures exclude sales of services and products. This adjustment was made to ensure consistency with remaining years when sales of services and products were netted against expenses.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, *Financial Report of Ontario Universities*, Vol. 1.

Table 2

Total University System Expenditures and Type of Fund: 1977-78 To 1982-83

(\$'000)

	1977-78		1978-79	1979-80	1980-81	1981-82	1982-83		% Change 1977-78 To 1982-83
	\$	% Share					\$	% Share	
<i>General Funds:</i>									
Operating (1)	855,041	73.7	895,131	948,064	1,044,139	1,173,198	1,327,385	68.9	55.2
Other (Non-credit) (1)	9,750	0.8	11,046	14,471	15,206	17,341	26,114	1.4	167.8
Ancillary Enterprises	95,750	8.3	100,454	115,002	126,467	137,216	194,805	10.1	103.5
<i>Restricted Funds:</i>									
Sponsored Research (1)	125,328	10.8	144,213	161,897	186,985	229,648	277,739	14.4	121.6
Trust and Endowment (1)	24,731	2.1	24,258	28,552	37,579	42,421	55,274	2.9	123.5
Capital (1)	49,808	4.3	34,310	27,319	51,721	40,934	45,481	2.4	-8.7
TOTAL (1)	1,160,408	100.0	1,209,412	1,295,305	1,462,097	1,640,758	1,926,798	100.0	66.0

(1) Adjusted to net out equivalent of sales of services and products for years 1977-78 to 1979-80 in order to ensure consistency with remaining years.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, Financial Report of Ontario Universities, Vol. 1.

Table 3

Revenue, Expenditures and Changes in Fund Balances for 1982-83

(\$000)

	General Funds				Restricted Funds			
	Operating		Other (non-credit)		Ancillary Enterprises		Sponsored Research	
	Unappropriated	Appropriated	Unappropriated	Appropriated	Unappropriated	Appropriated	Trust and Endowment	Capital Total
Total Revenue	1,343,563		25,854	193,929			63,763	41,818
Total Expenditures	1,327,385		26,114	194,805			55,274	45,481
Net Revenue (Expense)	16,178		-260	-876			8,489	-3,663
Variation in Appropriations	-13,233	13,187		-760	806			
Other Transfers	-1,448	-63	433	332				
Increase (Decrease) for the Year	1,497	13,124	173	-1,304			-642	1,371
Balance - Beginning of Year	-4,721	45,882	1,005	866	806		7,847	-2,292
Balance - End of Year	-3,224	59,006	1,178	-438	6,107		136,432	25,377
					6,913		144,279	23,085
								317,528

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers — Universities of Ontario, *Financial Report of Ontario Universities*, Vol. 1.

Table 4

Total University System Other (Non-Credit) Income: 1977-78 To 1982-83 (\$000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
1. ONTARIO GOVERNMENT GRANTS AND CONTRACTS							
(i) MCU Grants	732	790	914	821	925	1,056	4.1
(ii) Other	2,651	2,918	3,516	3,626	4,536	5,489	21.1
TOTAL ONTARIO GRANTS	3,383	3,708	4,430	4,447	5,461	6,545	25.3
2. FEES							
(i) Tuition Non-Credit	6,254	7,115	8,825	9,306	10,341	15,251	59.0
(ii) Miscellaneous	192	240	239	266	195	2,118	8.2
TOTAL FEES	6,446	7,355	9,064	9,572	10,536	17,369	67.2
3. OTHER INCOME							
(i) Government Grants and Contracts							
(a) Federal	0.0	5	406	245	336	888	3.4
(b) Other	0.0						0.0
(ii) Gifts, Donations and Non- Government Grants	0.0	10	475	570	449	466	1.8
(iii) Investment Income	0.0		5	3	109	240	0.9
(iv) Miscellaneous	40	42	63	59	36	282	1.1
(v) Interfund Transfers	0.0	(298)	(352)	189	(302)	64	0.2
TOTAL OTHER INCOME	40	(241)	597	1,066	628	1,940	7.5
TOTAL OPERATING INCOME (1)	9,869	10,822	14,091	15,085	16,625	25,854	100.0
UNADJUSTED TOTAL OPERATING INCOME	10,270	10,979	14,377	15,085	16,625	25,854	151.7

(1) Adjusted for change in definition of other (non-credit) revenue in 1980-81, when sales of services and products were netted against expenses.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, Financial Report of Ontario Universities Vol. 1.

Table 5

Total University System Other (Non-Credit) Expenditures by Object of Expenses: 1977-78 to 1982-83

(\$000)

	1977-78		1978-79	1979-80	1980-81	1981-82	1982-83		% Change 1977-78 To 1982-83
	\$	% Share					\$	% Share	
1. SALARIES AND WAGES									
(i) Faculty (Academic Ranks)	2,701	26.6	2,813	3,918	3,806	4,268	4,755	18.2	76.0
(ii) Other Instruction and Research	1,561	15.4	1,743	1,868	1,938	2,787	2,968	11.4	90.1
(iii) Other Salaries and Wages	2,127	21.0	2,588	3,892	4,024	4,124	10,078	38.6	373.8
TOTAL SALARIES AND WAGES	6,389	62.9	7,144	9,678	9,768	11,179	17,801	68.2	178.6
2. EMPLOYEE BENEFITS	541	5.3	504	629	701	851	1,771	6.8	227.4
TOTAL SALARIES AND BENEFITS	6,930	68.3	7,648	10,307	10,469	12,030	19,572	74.9	182.4
3. LIBRARY ACQUISITIONS	0	0.0	0	17	6	4	2	0.0	
4. EQUIPMENT AND FURNITURE									
(i) Purchase	91	0.9	53	144	187	212	295	1.1	224.2
(ii) Rental	25	0.2	29	43	44	39	52	0.2	108.0
TOTAL EQUIPMENT AND FURNITURE	116	1.1	82	187	231	251	347	1.3	199.1
5. OPERATIONAL SUPPLIES AND EXPENSES (1)	1,561	15.4	1,698	2,740	2,889	2,802	3,885	14.9	148.9
6. UTILITIES	0	0.0	0	119	141	218	338	1.3	
7. EXTERNALLY CONTRACTED SERVICES	0	0.0	0	30	6	11	17	0.1	
8. MISCELLANEOUS	649	6.4	822	1,317	1,342	1,776	1,623	6.2	150.1
9. INTERNAL COST ALLOCATIONS	895	8.8	953	40	122	249	330	1.3	-63.1
TOTAL	10,151	100.0	11,203	14,757	15,206	17,341	26,114	100.0	157.3
ADJUSTED TOTAL (2)	9,750		11,046	14,471	15,206	17,341	26,114		167.8

(1) Includes equipment and furniture maintenance.

(2) Adjusted for change in treatment of sales of services and products by netting out an equivalent level of expenditures from total other (non-credit) expenditures in 1977-78 to 1980-81.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, *Financial Report of Ontario Universities*, Vol. 1.

Table 6

Total University System Ancillary Enterprises Income: 1977-78 to 1982-83

(\$000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	\$	\$	\$	\$	\$	\$	% Share
1. ONTARIO GOVERNMENT GRANTS AND CONTRACTS							
(i) MCU Grants					50	34	0.0
(ii) Other	23	48	70	82	91	91	0.0
TOTAL ONTARIO GRANTS	23	48	70	82	141	125	0.1
2. MISCELLANEOUS FEES	37,922	40,526	43,824	46,401	51,393	56,586	29.2
3. OTHER INCOME							
(i) Federal Government Grants and Contracts					20	153	0.1
(ii) Gifts, Donations, and Non- Government Grants	29	7	6	6	6	105	0.1
(iii) Sales of Services and Products	57,445	59,585	70,528	80,339	85,842	136,887	70.6
(iv) Investment Income		7	269	309	341	607	0.3
(v) Miscellaneous	467	1,180	275	251	504	638	0.3
(vi) Interfund Transfers	(101)	(132)	(478)	(344)	(352)	(1,172)	-0.6
TOTAL OTHER INCOME	57,840	60,647	70,600	80,561	86,361	137,218	70.8
TOTAL OPERATING INCOME	95,785	101,221	114,494	127,044	137,895	193,929	100.0
							102.5

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, Financial Report of Ontario Universities, Vol. 1.

Table 7

Total University System Ancillary Expenditures by Object of Expense: 1977-78 to 1982-83

	1977-78					1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	\$		% Share							\$	% Share
1. SALARIES AND WAGES	0	0.0	0	0	0	0	0	0	0	0	0.0
(i) Faculty (Academic Ranks)	0	0.0	0	0	0	0	0	0	0	0	0.0
(ii) Other Instruction and Research	24,517	25.6	24,795	30,586	34,835	35,201	34,835	35,201	35,201	54,105	27.8
(iii) Other Salaries and Wages	24,517	25.6	24,795	30,586	34,835	35,201	34,835	35,201	35,201	54,105	27.8
TOTAL SALARIES AND WAGES	2,168	2.3	2,327	2,649	3,155	3,343	3,155	3,343	3,343	5,187	2.7
2. EMPLOYEE BENEFITS	26,685	27.9	27,122	33,235	37,990	38,544	37,990	38,544	38,544	59,292	30.4
TOTAL SALARIES AND BENEFITS	1,104	1.2	1,551	1,381	1,651	2,082	1,651	2,082	2,082	2,539	1.3
3. EQUIPMENT AND FURNITURE	221	0.2	189	1,406	2,072	378	2,072	378	378	588	0.3
(i) Purchase	1,325	1.4	1,740	2,787	3,723	2,460	3,723	2,460	2,460	3,127	1.6
(ii) Rental	8,725	9.1	8,602	14,075	12,487	14,122	12,487	14,122	14,122	18,513	9.5
TOTAL EQUIPMENT AND FURNITURE	26,239	27.4	27,773	31,229	35,109	39,654	35,109	39,654	39,654	65,625	33.7
4. OPERATIONAL SUPPLIES AND EXPENSES(1)	3,384	3.5	4,217	8,405	9,938	11,548	9,938	11,548	11,548	12,546	6.4
5. COST OF GOODS SOLD	803	0.8	888	829	862	965	862	965	965	1,156	0.6
6. UTILITIES	1,317	1.4	1,817	2,318	2,660	3,908	2,660	3,908	3,908	3,999	2.1
7. TAXES	7,293	7.6	8,322	10,089	11,331	13,189	11,331	13,189	13,189	14,720	7.6
8. RENOVATIONS, ALTERATIONS AND MAJOR REPAIRS	10,521	11.0	10,711	10,649	10,562	10,374	10,562	10,374	10,374	11,330	5.8
9. EXTERNALLY CONTRACTED SERVICES	0	0.0	0	0	105	201	105	201	201	30	0.0
10. PRINCIPAL AND INTEREST REPAYMENTS	0	0.0	0	0	50	260	50	260	260	261	0.1
11. LAND AND SITE SERVICES	1,112	1.2	962	1,051	1,365	1,215	1,365	1,215	1,215	3,225	1.7
12. BUILDINGS	8,346	8.7	8,300	335	285	776	285	776	776	981	0.5
13. MISCELLANEOUS	95,750	100.0	100,454	115,002	126,467	137,216	126,467	137,216	137,216	194,805	100.0
14. INTERNAL COST ALLOCATIONS											
TOTAL											

(1) Includes equipment and furniture maintenance.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, Financial Report of Ontario Universities, Vol. 1.

Table 8

Total University System Trust and Endowment Income: 1977-78 To 1982-83

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	\$	\$	\$	\$	\$	\$	% Share
1. ONTARIO GOVERNMENT GRANTS AND CONTRACTS							
(i) MCU Grants	1	4			9	17	0.0
(ii) Other	1,468	1,885	3,107	1,752	4,390	3,233	5.1
TOTAL ONTARIO GRANTS	1,469	1,889	3,107	1,752	4,399	3,250	5.1
2. OTHER INCOME							
(i) Government Grants and Contracts							
(a) Federal	3,101	2,345	2,641	2,500	3,829	4,962	7.8
(b) Other			381	400	50	70	0.1
(ii) Gifts, Donations & Non- Government Contracts	15,970	22,250	18,575	21,659	25,844	45,237	70.9
(iii) Investment Income	12,183	14,869	17,115	22,731	31,278	31,379	49.2
(iv) Miscellaneous	4,847	4,386	4,807	8,271	9,327	2,564	4.0
(v) Interfund Transfers	(5,082)	(6,190)	(6,447)	(3,919)	(15,612)	(23,699)	-37.2
TOTAL OTHER INCOME	31,019	37,660	37,072	51,642	54,716	60,513	94.9
TOTAL OPERATING INCOME (1)	32,488	39,549	40,179	53,394	59,115	63,763	100.0
UNADJUSTED TOTAL OPERATING INCOME	34,024	43,677	44,811	53,394	59,115	63,763	87.4

(1) Adjusted for change in definition of trust and endowment revenue in 1980-81, when sales of services and products were netted against expenses.
 NOTE: Excludes affiliated colleges. SOURCE: Committee of Finance Officers - Universities of Ontario, Financial Report of Ontario Universities, Vol. 1.

Table 9

Total University System Trust and Endowment Expenditures by Object of Expense: 1977-78 to 1982-83

(\$'000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	\$	% Share				\$	% Share
1. SALARIES AND WAGES	1,782	6.8	2,358	2,258	2,674	2,764	55.1
(i) Faculty (Academic Ranks)	1,752	6.7	2,486	2,328	2,413	2,764	55.1
(ii) Other Instruction and Research	4,825	18.4	5,948	6,301	7,911	10,256	110.4
(iii) Other Salaries and Wages	8,359	31.8	10,896	10,887	12,998	16,707	112.6
TOTAL SALARIES AND WAGES	622	2.4	830	747	825	1,088	99.9
2. EMPLOYEE BENEFITS	8,981	34.2	11,726	11,634	13,823	17,795	74.9
TOTAL SALARIES AND BENEFITS	666	2.5	741	626	754	823	98.1
3. LIBRARY ACQUISITIONS							23.6
4. EQUIPMENT AND FURNITURE	1,088	4.1	1,172	2,809	3,078	6,616	508.1
(i) Purchase	37	0.1	188	60	27	90	143.2
(ii) Rental							
TOTAL EQUIPMENT AND FURNITURE	1,125	4.3	1,290	2,869	3,105	6,706	496.1
5. OPERATIONAL SUPPLIES AND EXPENSES (1)	4,236	16.1	5,312	6,604	6,691	8,750	106.6
6. RENOVATIONS, ALTERATIONS AND MAJOR REPAIRS	120	0.5	355	83	554	309	157.5
7. EXTERNALLY CONTRACTED SERVICES	25	0.1	17	70	109	38	52.0
8. SCHOLARSHIPS, BURSARIES, etc.	8,152	31.0	8,119	10,392	12,649	14,822	81.8
9. PRINCIPAL AND INTEREST REPAYMENTS	0	0.0	0	0	123	48	0.1
10. LAND AND SITE SERVICES	20	0.1	0	0	0	212	0.4
11. BUILDINGS	0	0.0	0	0	0	371	0.7
12. MISCELLANEOUS	2,326	8.9	3,142	5,223	4,610	5,448	134.2
13. INTERNAL COST ALLOCATIONS	616	2.3	97	78	3	(48)	-107.8
TOTAL	26,267	100.0	33,184	37,579	42,421	55,274	110.4
ADJUSTED TOTAL (2)	24,731		28,552	37,579	42,421	55,274	123.5

(1) Includes equipment and furniture maintenance.

(2) Adjusted for change in treatment of sales of services and products by netting out an equivalent level of expenditures from total trust and endowment expenditures from 1977-78 to 1979-80.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers — Universities of Ontario, Financial Report of Ontario Universities, Vol. 1.

Table 10

**Interprovincial Comparisons of University Revenue,
Total Operating Income Per FTE Student: 1977-78 to 1981-82**

	1977-78		1978-79		1979-80		1980-81		1981-82	
	\$	Rank	\$	Rank	\$	Rank	\$	Rank	\$	Rank
British Columbia	5,182	3	5,715	3	6,058	4	6,468	4	7,408	2
Alberta	5,371	2	6,024	2	6,613	2	7,594	1	8,318	1
Saskatchewan	5,049	5	5,662	4	6,232	3	6,378	5	6,822	4
Manitoba	4,441	8	4,780	9	5,423	7	5,483	8	5,968	8
Quebec	5,165	4	5,347	5	5,890	5	6,683	3	7,009	3
New Brunswick	4,582	7	4,830	8	5,690	6	5,890	6	6,098	7
Nova Scotia	4,294	9	4,930	7	5,257	8	5,823	7	6,570	6
P.E.I.	3,256	10	4,418	10	4,973	10	5,073	10	5,566	10
Newfoundland	6,344	1	6,821	1	7,222	1	7,052	2	6,793	5
Weighted average for 9 provinces other than Ontario	5,069		5,451		5,974		6,575		7,071	
Ontario	4,594	6	5,038	6	5,239	9	5,421	9	5,794	9
Canada	4,894		5,304		5,711		6,163		6,616	

Table 11

Comparison of Revenue Per Student in Universities and in Elementary and Secondary Schools in Ontario in Constant 1977-78 Dollars, 1977-78 = 100.0: 1977-78 to 1982-83

	Index of Provincial Operating Grants Plus Tuition Fees Per FTE University Student	Index of Provincial Grants Plus Local Tax Revenue Per Elementary and Secondary School Pupil (1)
1977-78	100.0	100.0
1978-79	99.3	98.6
1979-80	95.1	100.4
1980-81	89.2	96.6
1981-82	85.0	102.0
1982-83	84.2	104.5

Provincial Grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

TE: Indexes are in constant 1977-78 dollars, deflated by the January CPI for each year.

JRCES: Ministry of Colleges and Universities, Ministry of Education.

Table 12
Total University System Operating Income: 1977-78 to 1982-83
(\$'000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	(\$'000)					(\$'000)	% Share
1. ONTARIO GOVERNMENT GRANTS AND CONTRACTS							
(i) Formula	672,475	719,823	755,879	811,121	894,118	1,003,960	74.7
(ii) Extra Formula	9,594	10,256	10,764	11,154	12,287	13,740	1.0
(iii) MCU Grants	17,423	9,781	10,701	10,380	10,796	10,852	0.8
(iv) Other	3,770	3,590	3,545	3,734	3,662	11,627	0.9
TOTAL ONTARIO GRANTS	703,262	743,450	780,889	836,389	920,863	1,040,179	77.4
2. FEES							
(i) Tuition Credit	129,421	129,864	138,372	163,288	195,460	241,506	18.0
(ii) Miscellaneous	7,969	8,215	8,937	10,147	11,110	15,250	1.1
TOTAL FEES	137,390	138,079	147,309	173,435	206,570	256,756	19.1
3. OTHER INCOME							
(i) Government Grants & Contracts							
(a) Federal	121	261	90	93	140	134	0.0
(b) Municipal	303	302	251	245	242	232	0.0
(c) Other	0	0	0	11	7	15	0.0
(ii) Gifts, Donations & Non-Government Grants	1,353	1,330	1,161	1,036	825	937	0.1
(iii) Investment Income	8,354	10,616	15,047	17,242	23,647	20,437	1.5
(iv) Miscellaneous	4,844	5,081	5,138	6,938	6,901	9,469	0.7
(v) Interfund Transfers	4,192	5,462	5,431	7,737	9,917	15,404	1.1
TOTAL OTHER INCOME	19,167	23,052	27,118	33,302	41,679	46,628	3.5
TOTAL OPERATING INCOME (1)	859,819	904,581	955,316	1,043,126	1,169,112	1,343,563	100.0
UNADJUSTED TOTAL OPERATING INCOME	873,111	921,558	960,465	1,043,126	1,169,112	1,343,563	53.9

(1) The 1977-78 to 1979-80 figures are adjusted for the change in definition of operating revenue in 1980-81, when sales of services and products were netted against expenses.

Table 13

Ontario Universities' Operating Grant from the Ministry of Colleges and Universities: 1977-78 To 1982-83

	1977-78				1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	(\$000)	% Share							(\$000)	% Share
1. FORMULA GRANTS	681,068	97.0			729,922	766,616	822,682	906,738	1,016,844	49.3
2. EXTRA FORMULA GRANTS										
(i) Differentiation /										
Supplementary Grants	2,650	0.4			1,900	1,450	1,250	1,550	1,600	0.2
(ii) Northern Grants	2,917	0.4			3,213	3,416	3,591	3,804	4,130	0.4
(iii) Bilingualism Grants	5,078	0.7			4,627	6,246	6,697	7,372	8,606	0.8
3. NON-FORMULA LINE-ITEM GRANTS										
(i) Teacher Education	1,258	0.2			663	255	431	400	372	0.0
(ii) Off Campus	212	0.0			204	245	311	367	340	0.0
(iii) Francophone	454	0.1			556	657	784	848	987	0.1
(iv) Energy Management	147	0.0			175	0	50			
(v) Building Repairs, Operating Cost Savings and Job Creation										
(vi) Other	5,800	0.8								
	2,465	0.3			783	1,165	560	463	497	0.1
TOTAL OPERATING GRANTS	702,049	100.0			742,043	780,050	836,356	921,542	1,033,376	100.0
MUNICIPAL TAX GRANTS	8,121				7,944	7,756	7,765	8,012	8,399	3.4

NOTE: Excludes Ministry of Colleges and Universities' Grants for farm mechanics program, Bar Admission course, University of Toronto Schools, Royal Conservatory of Music, and O.E.C.A.
SOURCE: Ministry of Colleges and Universities.

Table 14

**Interprovincial Comparisons of University Grants:
Provincial Operating Grants Per FTE Student: 1977-78 To 1982-83**

	1977-78		1978-79		1979-80		1980-81		1981-82	
	\$	Rank	\$	Rank	\$	Rank	\$	Rank	\$	Rank
British Columbia	4,521	3	5,025	3	5,337	3	5,683	4	6,435	2
Alberta	4,797	1	5,339	2	5,813	2	6,758	1	7,386	1
Saskatchewan	4,107	5	4,615	5	5,096	5	5,302	5	5,612	5
Manitoba	3,874	7	4,123	7	4,770	6	4,499	7	5,098	6
Quebec	4,449	4	4,657	4	5,299	4	5,935	2	6,176	3
New Brunswick	3,905	6	4,364	6	4,762	7	4,929	6	4,998	7
Nova Scotia	3,497	9	3,819	9	4,074	10	4,379	9	4,908	8
P.E.I.	3,030	10	3,544	10	4,246	8	4,441	8	4,720	9
Newfoundland	4,625	2	5,485	1	5,994	1	5,684	3	5,847	4
Weighted average for 9 provinces other than Ontario	4,347		4,705		5,231		5,703		6,112	
Ontario	3,669	8	4,002	8	4,140	9	4,273	10	4,476	10
Canada	4,097		4,455		4,840		5,193		5,529	

Table 15

Comparison of Revenue Per Student in Universities and in Elementary and Secondary Schools in Ontario in Constant 1977-78 Dollars, 1977-78 = 100.0: 1977-78 to 1982-83

	Index of Provincial Operating Grants Plus Tuition Fees Per FTE University Student	Index of Provincial Grants Plus Local Tax Revenue Per Elementary and Secondary School Pupil (1)
1977-78	100.0	100.0
1978-79	100.0	95.8
1979-80	95.7	96.2
1980-81	88.9	88.6
1981-82	83.9	95.0
1982-83	82.5	94.0

(1) Provincial Grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

NOTE: Indexes are in constant 1977-78 dollars, deflated by the January CPI for each year.

SOURCES: Ministry of Colleges and Universities, Ministry of Education.

Table 16
Total University System Operating Expenditures by Functional Area: 1977-78 To 1982-83
(\$000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	\$	% Share				\$	% Share
1. ACADEMIC EXPENDITURES							
Instruction & Research	559,362	64.4	589,804	621,676	761,871	859,737	53.7
Library	61,095	7.0	63,547	67,618	83,082	92,799	51.9
Academic Computing	22,566	2.6	23,681	24,549	28,063	33,012	46.3
TOTAL ACADEMIC EXPENSES	643,023	74.0	677,032	713,843	873,016	985,548	53.3
2. NON-ACADEMIC EXPENDITURES							
Non-Academic Computing	11,651	1.3	13,665	13,983	16,276	19,034	63.4
Student Services	28,346	3.3	28,988	31,300	36,701	43,423	53.2
Administration	49,107	5.7	53,206	57,509	71,657	80,171	63.3
Physical Plant (1)	124,386	14.3	126,738	133,243	160,911	180,635	45.2
Other	11,820	1.4	12,479	13,335	14,637	18,574	57.1
TOTAL NON-ACADEMIC EXPENSES	225,310	26.0	235,076	249,370	300,182	341,837	51.7
TOTAL	868,333	100.0	912,108	963,213	1,173,198	1,327,385	52.9
ADJUSTED TOTAL (2)	855,041		895,131	948,064	1,173,198	1,327,385	55.2

(1) Includes taxes for years from 1977-78 to 1980-81 to ensure consistency with remaining years.

(2) Adjusted for change in treatment of sales of services and products by netting out an equivalent level of expenditures from total operating expenditures in 1977-78 to 1979-80.

NOTE: Excludes affiliated colleges

SOURCE: Committee of Finance Officers - Universities of Ontario, Financial Report, 1979-80, p. 10.

Table 17

Total University System Operating Expenditures by Object of Expense: 1977-78 to 1982-83 (\$000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	(\$000)	% Share				(\$000)	% Share
1. SALARIES AND WAGES							
(i) Faculty (Academic Ranks)	340,465	39.2	358,551	410,370	460,063	521,199	53.1
(ii) Other Instruction and Research	38,248	4.4	38,765	45,631	49,707	54,368	42.1
(iii) Other Salaries and Wages	250,779	28.9	262,280	289,875	326,037	368,262	46.8
TOTAL SALARIES AND WAGES	629,492	72.5	659,596	745,876	835,807	943,829	49.9
2. EMPLOYEE BENEFITS	70,281	8.1	76,281	83,119	97,059	115,519	64.4
TOTAL SALARIES AND BENEFITS	699,773	80.6	735,877	828,995	932,866	1,059,348	51.4
3. LIBRARY ACQUISITIONS	17,451	2.0	18,777	24,010	25,429	28,109	61.1
4. EQUIPMENT AND FURNITURE							
(i) Purchase	16,766	1.9	18,329	21,880	25,704	29,256	74.5
(ii) Rental	8,091	0.9	7,540	7,159	9,120	10,302	27.3
TOTAL EQUIPMENT AND FURNITURE	24,857	2.8	25,869	29,039	34,824	39,558	59.1
5. OPERATIONAL SUPPLIES							
AND EXPENSES (1)	50,851	5.8	53,009	61,570	69,010	74,085	45.7
6. UTILITIES	34,709	4.0	35,975	33,852	44,914	48,652	40.2
7. OTHER EXPENSES							
(i) Taxes	8,343	1.0	8,145	7,914	8,249	8,672	3.9
(ii) Renovations, Alterations and Major Repairs	9,645	1.1	8,144	8,760	11,658	15,097	56.5
(iii) Externally Contracted Services	11,905	1.4	12,664	11,968	12,699	16,855	41.6
(iv) Scholarships, Bursaries, Etc.	5,747	0.7	6,335	7,923	9,385	11,988	108.6
(v) Principal and Interest Repayments	294	0.0	311	856	307	286	-2.7
(vi) Land & Site Services	150	0.0	14	39	14	15	-90.0
(vii) Buildings	585	0.1	201	0	17	87	-85.1
(viii) Miscellaneous	20,698	2.4	21,708	23,717	28,058	29,201	41.1
(ix) Internal Cost Allocations (2)	-16,675	-1.9	-14,921	-2,087	-4,232	-4,568	-72.6
TOTAL OTHER EXPENSES	40,692	4.7	42,601	58,541	66,155	77,633	90.8
TOTAL	868,333	100.0	912,108	1,044,139	1,173,198	1,327,385	52.9
ADJUSTED TOTAL (3)	855,041		895,131	1,044,139	1,173,198	1,327,385	55.2

(1) Includes equipment and furniture maintenance.

(2) Since 1979-80, internal cost allocations under the physical plant functional area have been netted against the objects of expense in physical plant. Therefore, the other objects of expense are \$10,906 million larger in 1977-78 and \$10,191 million larger in 1978-79 than they would be under the subsequent definition of internal cost allocations.

(3) Adjusted for change in treatment of sales of services and products by netting out an equivalent level of expenditures from total operating expenditures from 1977-78 to 1979-80.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, Financial Report of Ontario Universities, Vol. 1.

Table 18

Academic Staff Complements: 1977-78 to 1982-83

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
Full-Time Tenure Stream	9,808	9,926	9,795	9,851	9,976	10,067
Full-Time Limited Term	1,643	1,584	1,584	1,516	1,513	1,523
FTE of Part-Time	1,815.9	1,751.3	1,666.6	1,699.0	1,693.5	1,678.9
TOTAL FTE	13,266.9	13,261.3	13,045.6	13,066.0	13,182.5	13,268.9

NOTE: Data were not available for: Algoma, Nipissing, Hearst and Dominican College, the Ontario College of Art and the church-related affiliates of the provincially-assisted universities. Full-time faculty is reported as of October 1st of each year.

SOURCE: Council of Ontario Universities.

Table 19

Total University System Capital Income: 1977-78 to 1982-83

(\$000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	(\$000)	% Share				(\$000)	% Share
1. ONTARIO GOVERNMENT FUNDING							
(i) MCU Grants	2,070	4.8	11,812	12,159	10,746	12,611	30.2
(ii) Other	9,259	21.3	6,947	17,408	22,238	16,508	39.5
(iii) Long Term Debt (Borrowings)	17,639	40.5	0	0	0	0	0.0
TOTAL ONTARIO GOVERNMENT FUNDING	28,968	66.5	18,759	29,567	32,984	29,119	69.6
2. OTHER INCOME							0.5
(i) Non-Government Long Term Debt	6,087	14.0	698	1,727	0	657	1.6
(ii) Federal Government Grants & Contracts	0	0.0	165	0	0	567	1.4
(iii) Fees (Miscellaneous)	0	0.0	38	39	0	0	0.0
(iv) Gifts, Donations & Non-Government Grants	3,084	7.1	3,070	4,058	4,525	2,980	7.1
(v) Investment Income	3,121	7.2	2,834	3,016	3,753	3,759	9.0
(vi) Miscellaneous	1,012	2.3	2,106	2,902	1,088	911	2.2
(vii) Interfund Transfers	1,258	2.9	1,150	621	2,381	3,825	9.1
TOTAL OTHER INCOME	14,562	33.5	10,061	12,363	11,747	12,699	30.4
TOTAL CAPITAL INCOME (1)	43,530	100.0	28,820	41,930	44,731	41,818	100.0
UNADJUSTED TOTAL CAPITAL INCOME	43,936		29,224	41,930	44,731	41,818	-4.8

(1) 1977-78 to 1979-80 figures exclude sales of services and products to ensure consistency with remaining years when sales of services and products were netted against expenses.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, *Financial Report of Ontario Universities*, Vol. 1.

Table 20

Historical Summary Capital Funding for Universities, Ryerson, OCA: 1944-64 to 1983-84 (\$000)

	OUCAC Debtures(4)	Capital Grants	Special Capital	Health(2) Sciences	Min. of Energy	Wintario Grants(3)	Minor Repairs & Maintenance	Total
1944-64		83,448						83,448
1964-65	45,600							45,600
1965-66	89,239							89,239
1966-67	93,105							93,105
1967-68	99,995							99,995
1968-69	132,974							132,974
1969-70	101,619			7,634				109,253
1970-71	111,760			28,045				139,805
1971-72	114,739			21,308				136,047
1972-73	89,162			9,550				98,712
1973-74	46,254			8,238				54,492
1974-75	17,398			4,244				21,642
1975-76	16,236			4,176	435		2,746	23,593
1976-77	11,190			5,330	115	985	4,086	21,706
1977-78	18,250			7,693	146		5,800(1)	31,889
1978-79		15,247		2,076	178			17,501
1979-80		13,500		5,107	45	930		19,582
1980-81		13,500		4,924	50	2,170		20,644
1981-82		13,500		8,774	515			22,789
1982-83		14,270		5,100	250		10,000(5)	29,620
1983-84(7)		12,200	7,439(6)	5,100	1,043			25,782
CUMULATIVE	1,153,186		7,439	127,299	2,777	4,085	22,632	1,317,418

(1) Amount added to operating grant base in 1979-80.

(2) Excludes bridge financing grants, but includes \$804,000 for biohazard containment in 1979-80.

(3) Amounts committed in the year shown.

(4) Capital projects funded by debtures issued by the Government of Ontario.

(5) BILD Summer and Winter job creation program.

(6) BILD - Part of \$18.55 million - Capital works acceleration program, 1983-85.

(7) Excludes \$12 million grants for undergraduate teaching equipment and library books and facilities acquisition - reported under operating grants.

Table 21

Annual OCUA Recommendation for New Capital Funding for Major Repairs, Renovations and Replacement Projects and Government Allocation of Capital Grants: 1976-77 to 1983-84

(\$000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
(A) GRANTS FOR WHICH OCUA MAKES RECOMMENDATIONS: OCUA Recommendation for Funding of New Major Repairs, Renovations and Replacement Projects (Excluding Carry-Overs and New Construction)	11,800.0	14,100.0	14,500.0	17,900.0	19,100.0	21,200.0	23,100.0	25,300.0
(B) GOVERNMENT GRANTS IN RESPONSE TO THE OCUA RECOMMENDATIONS: 1. Major Renovations and Repairs New Starts	6,182.0	6,533.8	5,326.0	850.0	4,661.9	6,305.0	4,470	6,372.0
(Shortfall in Government New Capital Funding for Major Repairs and Renovations)	(5,618.0)	(7,566.2)	(9,174.0)	(17,050.0)	(14,438.1)	(14,895.0)	(18,630)	(18,928)
(C) GOVERNMENT GRANTS FOR WHICH OCUA DOES NOT MAKE RECOMMENDATIONS: 1. Major Renovations and Repairs (continued) Carry-Overs	2,523.4	4,865.0	2,499.1	10,451.1	7,072.1	5,464.5	5,530	5,828
2. New Construction New Starts	2,208.0	411.7	2,118.0	—	50.0	—	—	—
Carry-Overs	—	5,769.5	5,303.5	2,198.9	1,716.0	1,730.5	3,500	—
TOTAL	2,208.0	6,181.2	7,421.5	2,198.9	1,766.0	1,730.5	3,500	—
3. Land Purchases New Starts	—	609.0	—	—	—	—	—	—
Carry-Overs	276.6	—	—	—	—	—	—	—
TOTAL	276.6	609.0	—	—	—	—	—	—
TOTAL GOVERNMENT CAPITAL GRANTS ⁽¹⁾	11,190.0	18,189.0	15,246.6	13,500.0	13,500.0	13,500.0	13,500.0	12,200

Notes: 1. Sum of "New Starts" in Section (B) and "New Starts" and "Carry-Overs" in Section (C).

SOURCE: Ministry of Colleges and Universities.

Table 22
Total University System Capital Expenditures: 1977-78 to 1982-83
(\$'000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 to 1982-83
	(\$'000)	% Share				(\$'000)	% Share
1. SALARIES AND WAGES							
(i) Other Salaries and Wages	8	0.0	106	8	8	0.0	-100.0
2. EMPLOYEE BENEFITS			9				
TOTAL SALARIES & BENEFITS	8	0.0	115	8	8	0	-100.0
3. LIBRARY ACQUISITIONS	63	0.1	48	242	84	74	17.5
4. EQUIPMENT AND FURNITURE							
(i) Purchase	4,032	8.0	3,477	1,395	3,451	6,439	14.2
5. OPERATIONAL SUPPLIES AND EXPENSES	237	0.5	398	413	435	20	-91.6
6. RENOVATIONS, ALTERATIONS AND MAJOR REPAIRS	6,427	12.8	4,793	9,472	10,255	14,247	121.7
7. PRINCIPAL AND INTEREST REPAYMENTS	1,613	3.2	1,649	93	136	94	-94.2
8. LAND AND SITE SERVICES	996	2.0	2,734	612	489	1,071	7.5
9. BUILDINGS	36,759	73.2	21,451	39,443	26,076	23,447	-36.2
10. MISCELLANEOUS	73	0.1	95	43		46	-37.0
11. INTERNAL COST ALLOCATIONS	6	0.0	-46			43	616.7
TOTAL	50,214	100.0	34,714	51,721	40,934	45,481	-9.4
ADJUSTED TOTAL (1)	49,808		34,310	51,721	40,934	45,481	-8.7

(1) Adjusted for change in treatment of sales of services and products by netting out an equivalent level of expenditures from total capital expenditures from 1977-78 to 1979-80.

NOTE: Excludes affiliated colleges. SOURCE: Committee of Finance Officers - Universities of Ontario, *Financial Report of Ontario Universities*, Vol. 1.

Table 23

Total University System Sponsored Research Income: 1977-78 to 1982-83

(\$'000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 to 1982-83
	(\$'000)	% Share				(\$'000)	% Share
1. ONTARIO GOVERNMENT FUNDING							
(i) MCU Grants	1,289	1.0	59	28	365	1,207	0.4
(ii) Other	21,971	17.2	28,520	29,413	35,423	45,766	16.7
TOTAL ONTARIO GOVERNMENT FUNDING	23,260	18.2	28,579	29,441	35,788	46,973	101.9
2. FEDERAL GOVERNMENT GRANTS AND CONTRACTS	75,316	58.8	91,452	111,722	142,213	153,381	103.6
3. OTHER INCOME							
(i) Municipal	6	.0	140	179	148	163	0.1
(ii) Government Grants Other Government Grants & Contracts	0	0.0	3,926	4,408	5,378	6,612	2.4
(iii) Gifts, Donations & Non-Government Grants	21,359	16.7	28,705	42,319	61,087	59,361	21.6
(iv) Investment Income	894	0.7	1,243	1,739	2,524	2,557	0.9
(v) Miscellaneous	7,481	5.8	11,945	9,205	720	799	0.3
(vi) Interfund Transfers	-267	-0.2	8	-3,223	3,388	4,492	1.6
TOTAL OTHER INCOME	29,473	23.0	41,828	54,627	73,245	73,984	27.0
TOTAL SPONSORED RESEARCH INCOME (1)	128,049	100.0	168,528	195,790	251,246	274,338	114.2
UNADJUSTED TOTAL SPONSORED RESEARCH INCOME	128,348		168,993	195,790	251,246	274,338	113.7

(1) 1977-78 to 1980-81 figures exclude sales of services and products to ensure consistency with remaining years when sales of services and products were netted against expenses.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, *Financial Report of Ontario Universities*, Vol. 1.

Table 24

Total University System Sponsored Research Expenditures by Object of Expense: 1977-78 to 1982-83

(\$000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	% Change 1977-78 To 1982-83
	(\$000)	% Share				(\$000)	% Share
1. SALARIES AND WAGES							
(i) Faculty (Academic Ranks)	9,808	7.8	12,495	16,016	19,710	23,813	8.6
(ii) Other Instruction and Research	25,916	20.6	32,898	34,006	44,215	57,296	20.6
(iii) Other Salaries and Wages	34,000	27.1	31,428	49,288	54,357	62,222	22.4
TOTAL SALARIES AND WAGES	69,724	55.5	76,821	99,310	118,282	143,331	51.6
2. EMPLOYEE BENEFITS	4,607	3.7	4,691	5,847	7,597	9,606	3.5
TOTAL SALARIES AND BENEFITS	74,331	59.2	81,512	105,157	125,879	152,937	55.1
3. LIBRARY ACQUISITIONS	390	0.3	314	738	597	586	0.2
4. EQUIPMENT AND FURNITURE							
(i) Purchase	9,396	7.5	11,523	21,111	33,359	41,755	15.0
(ii) Rental	251	0.2	255	372	482	697	0.3
TOTAL EQUIPMENT AND FURNITURE	9,647	7.7	11,778	21,483	33,841	42,452	15.3
5. OPERATIONAL SUPPLIES AND EXPENSES (1)	26,822	21.4	32,520	42,118	47,650	56,591	20.4
6. UTILITIES	6	0.0	52	574	796	1,188	0.4
7. RENOVATIONS, ALTERATIONS and MAJOR REPAIRS	907	0.7	177	53	316	190	0.1
8. EXTERNALLY CONTRACTED SERVICES	22	0.0	36	98	143	275	0.1
9. SCHOLARSHIPS, BURSARIES, Etc.	233	0.2	305	542	598	621	0.2
10. MISCELLANEOUS	6,457	5.1	12,210	14,058	16,624	19,637	7.1
11. INTERNAL COST ALLOCATIONS	6,812	5.4	5,617	2,164	3,204	3,262	1.2
TOTAL	125,627	100.0	144,521	186,985	229,648	277,739	100.0
ADJUSTED TOTAL (2)	125,328		144,213	186,985	229,648	277,739	121.6

(1) Includes equipment and furniture maintenance.

(2) Adjusted for change in treatment of sales of services and products by netting out an equivalent level of expenditures from total sponsored research expenditures from 1977-78 to 1979-80.

NOTE: Excludes affiliated colleges.

SOURCE: Committee of Finance Officers - Universities of Ontario, Financial Report of Ontario Universities, Vol. 1.

Council's Advisory Memoranda

84-1 Compulsory Ancillary Fees

In her letter of June 8, 1983, to the Chairman of Council, the Minister of Colleges and Universities referred to Advisory Memorandum 82-XII, and accepted, for 1983-84, Council's Recommendation 82-25:

That all compulsory ancillary fees charged by any of the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College be eligible for support under the Ontario Student Assistance Program.¹

The Minister further indicated her continuing concern about the level of ancillary fees, asking that Council:

. . . proceed immediately to establish a data collection and monitoring system . . . [and] work towards the determination of an identifiable point at which the 'unreasonable' fee level criterion identified in the Advisory Memorandum [82-XII] comes into play.²

In response to the Minister's request, Council worked with the Council of Ontario Universities (COU) to devise an improved reporting format to be used in surveying the universities for comprehensive information on all their respective "compulsory ancillary fees."³ On February 14, 1984, COU submitted to Council the final version of the survey results. The following memorandum outlines Council's views on compulsory ancillary fees, presents policy options, analyzes the survey information which has been gathered, and recommends the continued coverage of these fees under the Ontario Student Assistance Program (OSAP).

Defining an Unreasonable Level of Compulsory Ancillary Fees

The key element in addressing the Minister's concern is to identify an unreasonable level of compulsory ancillary fees. One approach would be to develop a formula quantifying a particular level of compulsory ancillary fees that was judged to be unreasonable. An alternative approach would be to monitor changes in compulsory ancillary fees and to exercise judgement as to whether such changes were reasonable or unreasonable.

Council examined several ways of setting a quantifiable limit on these fees, but all had serious drawbacks. For example, the current practice of reducing the operating grant for institutions whose tuition fee levels exceed 110% of the level of formula fees could be modified to include all or some general and program-specific ancillary fees.⁴ Alternatively, limits could be placed on annual percentage increases allowed for compulsory ancillary fees, and the limits could perhaps be related to increases in the cost of living. Such approaches could, as described below, entail significant problems.

Action by Government to restrict the authority of the institutions to establish their own ancillary fee levels would be intrusive. An immediate difficulty would arise in attempting to regulate by a formula the complex array of program specific ancillary

1. Ontario Council on University Affairs, A.M. 82-XII, *Ninth Annual Report*. 1982-83, p. 138.

2. Letter from the Honourable Dr. B. Stephenson to Dr. B. C. Matthews, June 8, 1983, p. 1.

3. Compulsory ancillary fees are those fees "imposed or administered by a given institution or one of its constituent parts, in addition to regular tuition fees, which a student was required to pay upon registration or in order to fulfill the requirements of the academic program in which he or she was registered". Council of Ontario Universities, *Incidental Fees*, August 25, 1982, p. 1.

4. Consistent with the definitions used in Advisory Memorandum 82-XII, "general ancillary fees" are those service and activity-related fees charged to all full-time undergraduate students regardless of their programs of study; "program-specific ancillary fees" are those instruction-related fees charged only to students enrolled in specific programs. One-time only fees (such as convocation or thesis-binding) and penalty and user fees (such as late registration or transcripts, respectively) have been omitted either because they are not compulsory or are relatively insignificant in cost.

fees which are charged on a per course basis and by program. General ancillary fees are universally applied and could be regulated by such an approach, but the current variance in these fee levels among the institutions would make the setting of a ceiling most undesirable. In examining the potential effects of setting limits on total fee levels the following problems have been identified:

- i) If the limit chosen were set at a high level to allow for the inclusion of most fees currently being charged, there would be a strong likelihood (based on experience with the 10% discretionary limit) that institutions with fee levels below the limit would soon move to the higher level. Thus the "ceiling" could also become a "floor", and lower compulsory ancillary fee charges currently being paid by many students could possibly increase.
- ii) If the limit chosen were set at a low level which was exceeded by fees at many institutions, there might have to be "roll-backs" of some fees, which would prevent institutions from recovering the actual costs of some services provided.
- iii) If virtually any system-wide compulsory ancillary fee limit were established to regulate charges, inequities could develop in providing students with goods, services and facilities which now exist but which often vary markedly in kind and quality, as required, from one institution to another. For example, regulation to restrict these fee levels to a prescribed limit could cause difficulty within institutions in determining which services might have to be reduced or phased-out in order to comply with a prescribed limit.

Given these difficulties in fixing a quantifiable level by which to define unreasonable, and against which to gauge fee levels, Council believes that a review of the fundamental principles underlying these fees can provide the context in which compulsory ancillary fees may be judged to be reasonable or unreasonable. Three basic principles define this context:

- i) compulsory ancillary fees should not be allowed to rise to a level which impedes accessibility;
- ii) compulsory ancillary fees should not pay for costs traditionally covered by general tuition fees;
- iii) compulsory ancillary fees should reflect the cost of goods and services provided.

The first two principles re-emphasize positions put forward by Council in Advisory Memorandum 82-XII: namely, that the concern for accessibility which underlies Government's control of tuition fee levels also pertains to compulsory ancillary fee levels; and that "back-door" tuition fees in the guise of compulsory ancillary fees are unacceptable. The third principle, suggesting that compulsory ancillary fees should not be a means of generating extra institutional revenue or profit, has been added as a result of Council's discussions this year. Reference to these principles is essential in determining whether compulsory ancillary fees are reasonable or unreasonable.

Council's current review indicates that these principles underlying compulsory ancillary fees appear to be generally understood, are being upheld by the institutions at this time, and that these principles should continue to inform the setting of compulsory ancillary fees by the institutions. Restrictive policy options which could be enacted, such as a formula approach, might create solutions more harmful than existing problems with compulsory ancillary fees. Therefore, establishing an exact, quantifiable level beyond which compulsory ancillary fees were deemed to be unreasonable would be undesirable.

Council proposes, therefore, to review compulsory ancillary fees annually, using as a guideline for evaluation the three principles enunciated this year. This review will be accomplished through a monitoring process in which Council will gather, analyze and judge data on compulsory ancillary fees. As the basis of its analysis,

Council will examine whether compulsory ancillary fees appear to be increasing in number and level in programs and disciplines where such fees have traditionally existed and whether they are being established in other programs and disciplines as well. Also, using OSAP data pertaining to compulsory ancillary fees, Council will attempt to evaluate the effect of these fee levels on the program and discipline choices of lower-income students in comparison with choices made by the general student population.

In addition to its own proposed actions regarding compulsory ancillary fees, Council urges the institutions to continue the traditional practice of consulting with students regarding the application of and changes in the levels of these fees. Council further suggests that the institutions should make it a practice to inform students about all compulsory ancillary fees, and to provide them with clear statements of tuition and other fees by program.

Data Base for Compulsory Ancillary Fees

Since receiving the Minister's letter of May 5, 1982, Council requested COU to carry out two surveys of the institutions concerning compulsory ancillary fees. Council presented an analysis of the results of the 1982-83 survey in Advisory Memorandum 82-XII. A re-statement of that information and an evaluation of the findings of the 1983-84 survey are presented in the various tables and appendices of this memorandum.

Cognizant of the Minister's request that the methodology of the second survey be improved in order to establish a "standard data reporting format for use in future analyses,"⁵ Council emphasized this year not only that institutions should ensure comprehensive reporting of their 1983-84 compulsory ancillary fees, but also that they should verify information reported in the 1982-83 survey. Therefore, the data for 1982-83, as displayed in Tables 1, 3 and Appendix A, have been confirmed and are more comprehensive than those yielded by the original 1982-83 survey. Despite improvements, however, the cautionary comment advanced in Advisory Memorandum 82-XII that the data were "somewhat inadequate"⁶ still applies with respect to some data gathered in the 1983-84 survey.

This is true, in part, because of the difficulty in establishing uniform categories for the diverse types of ancillary fees which have evolved over time in different ways at individual institutions. This ongoing problem was alluded to last year:

... significant differences exist among institutions in terms of the definitions applicable to the various kinds of ancillary fees. In some cases different services are subsumed under fees with similar titles; while in others, variously identified fees are employed to support identical services.⁷

As shown in Tables 1 and 2, Council has developed six categories under which the many general ancillary fees may appropriately be listed:

- | | |
|-----------------|---------------------|
| a) Health | d) Student Activity |
| b) Registration | e) Athletics |
| c) Capital | f) Other |

All general ancillary fees reported in the 1982-83 and 1983-84 surveys have been incorporated into this format to allow comparisons between years and among institutions. In updating the 1982-83 information, and in displaying it along with corresponding data for 1983-84, Council has been able, with exceptions indicated in the footnotes to Tables 1 and 2, to eliminate the fee ranges and to identify the amount

⁵ Letter from the Honourable Dr. B. Stephenson to Dr. B. C. Matthews, June 8, 1983, p. 1.

⁶ Ontario Council on University Affairs, A.M. 82-XII, *Ninth Annual Report*, 1982-83, p. 131.

⁷ *Ibid.*, p. 131.

which each full-time undergraduate student at each institution surveyed paid in general ancillary fees in 1982-83 and 1983-84.

Similarly, Council has established, as shown in Tables 3 and 4 and Appendices A and B, eleven categories under which the various program-specific ancillary fees may appropriately be listed:⁸

- | | |
|-----------------------------|----------------------------|
| a) Registration | g) Manuals and Duplication |
| b) Music and Studio Related | h) Laundry |
| c) Professional Societies | i) Kits |
| d) Co-op Placement | j) Travel |
| e) Consumable Supplies | k) Other. |
| f) Lab and Equipment | |

As noted in the tables of the Appendices, these fees are charged in several ways: per course by year; per course by term; per program by year; or per program by term. The number of students paying each program-specific ancillary fee which has been identified is indicated, as is the department or program charging the fee and whether it was student-initiated. This information, therefore, demonstrates the various fee levels and the disciplines in which they prevail. Again, as for general ancillary fees, this format for displaying program-specific ancillary fees permits comparisons between years and among institutions, and eliminates fee ranges, except for instances mentioned in the footnotes to the tables of the Appendices.

While the responses of the institutions to the survey have improved greatly overall from last year, there are in all probability a number of compulsory ancillary fees which have been overlooked in reporting. Annual monitoring will encourage even more exhaustive reporting of these fees by the institutions and should be accompanied by regular adjustments to improve the survey's format. Council is satisfied, however, that progress has been made in clarifying the complex, heterogenous system of compulsory ancillary fees which exists across the institutions, and that the rudiments of a system-wide data base for analyzing future trends are now in place.

1. General Ancillary Fees

Before reviewing the general ancillary fee data gathered in 1982-83 and 1983-84 and displayed in Tables 1 and 2, respectively, some qualifying statements are necessary. Foremost is the fact that the criterion of universality of application has been used as the guiding principle in determining which compulsory ancillary fees can be grouped under the "general heading." The universal applicability of these various fees does not, however, eliminate occasional discrepancies which are inherent in attempting to categorize fees in which diverse elements occur as often as areas of correspondence.

One should bear in mind that the marked differences which appear across the institutions in the levels of general ancillary fees reflect variations in the kinds and quality of services being provided. (For instance, health service fees which may at first appear inordinately high at one institution often reveal, on closer examination, that accident, health and/or life insurance packages are included which are not offered where fees are lower.) Also, categories which encompass general ancillary fees charged by one institution are not appropriate for the incorporation of similar types of fees elsewhere which are not charged on a general basis. (A prime example occurs

8. Organizing compulsory ancillary fees under certain categories is also done in the *Reference Manual* of the Ontario Student Assistance Program. Compulsory ancillary fees which are program-specific and eligible for OSAP coverage are: co-op fees; expendable supplies (stationery, film, art supplies, other expendable course-related supplies); field trips and local transportation (compulsory field trips and exceptional travel expenses for transportation to locations for practice teaching, field placement, etc.); major equipment (cameras, musical instruments, medical or dental equipment); and professional association and examination fees. Maximum allowance levels are set for each category, with certain programs, such as Fine Arts, being permitted somewhat higher ceilings, presumably in recognition of the cost of materials. This system suggests that certain study activities, and, by extrapolation, certain disciplines and/or programs, are traditionally recognized as entailing special costs, identified herein as program-specific ancillary fees.

Ministry of Colleges and Universities, *Ontario Student Assistance Program Reference Manual*, pp. VI-115 to VI-119.

Undergraduate General Ancillary Fees: 1982-83

FEE TYPE	Brock	Carleton	Guelph ¹	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto ²	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson	OCA	AVGS.
HEALTH: Sub-Total	15.00	19.25	26.70	10.00	17.00	12.00	20.00	7.00	18.12	25.00	21.24	21.50	6.00	10.00				\$16.34
Services	15.00	19.25	14.70	10.00	13.75	12.00	20.00	7.00	18.12	25.00	21.24	21.50	6.00	10.00				
Accident/health insurance			12.00															
Life insurance					3.25													
REGISTRATION:																		
Sub-Total	3.00				12.00		5.00		1.00	95.00							35.00	\$25.17
Registration					10.00		5.00											
I.D. Card	3.00				2.00				1.00									
College Fee										95.00							35.00	
CAPITAL: Sub-Total		20.00	20.00		20.00		12.00	18.26			10.00	17.00		10.00		4.00	5.00	\$13.63
Univ. Centre		20.00	20.00				12.00	18.26			10.00	10.00		10.00		4.00		
Rec. Facilities											10.00							
Science Bldg.																		
Future Projects																		
Arena					20.00							7.00					5.00	
Operations																		
Ancillary Ops.																		
STUDENT ACTIVITY:																		
Sub-Total	25.00	60.50	45.00	39.00	46.50	50.00	30.00	55.00	17.75	57.25	23.00	35.50	55.00	47.00	50.00	65.70	20.00	\$42.48
Incidental Activity								47.50							50.00			
Special Activity																13.20		
"Quest Fund"								7.50										
Student Association	25.00	60.50	45.00	39.00	46.50	50.00	30.00		17.75	57.25	23.00	35.50	55.00	47.00		52.50	20.00	
ATHLETICS:																		
Sub-Total	30.00	67.80	36.00	25.00	30.00	27.00	35.00	30.00	45.19	55.00	34.00	44.25	33.00	20.00		12.80		\$35.00
OTHER: Sub-Total									27.40	50.00					17.50	70.00		\$37.98
General Ancillary															70.00			
Hart House																		
Bus/Parking									27.40	50.00								
Learning Support																		
Student Centre																25.00		
TOTALS	\$73.00	\$167.55	\$127.70	\$74.00	\$125.50	\$89.00	\$102.00	\$110.26	\$109.46	\$282.25	\$88.24	\$118.25	\$94.00	\$104.50	\$120.00	\$107.50	\$60.00	\$114.89

SOURCE: COU and individual institutions.

1. Guelph: Student Activity. Fees shown for 1982-83 and 1983-84 represent averages of ranges from \$40.00 - \$50.00 and \$42.00 - \$50.00, respectively, within which fee levels vary according to program.
2. Toronto: Health, Athletics and Other (Hart House). Fees shown for 1982-83 and 1983-84 represent the average cost per student across the institution and its affiliated colleges, and have been determined using information provided by the university on enrolment and fee charges. The Registration fee shown of \$1.00 (student card) is universally charged, while fees for registering at the colleges and covering costs specific to them have been removed from the general ancillary fee area and displayed as program-specific fees under the Registration category in the appendices.

Table 2

Undergraduate General Ancillary Fees: 1982-83

FEE TYPE	Brock	Carleton	Guelph ¹	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's ³	Toronto ²	Trent	Waterloo	Western	WLU	Windor	York	Ryerson	OCA	AVGS.
HEALTH: Sub-Total	15.00	26.40	33.40	10.00	17.00	12.00	20.00	9.00	18.67	25.00	34.11	24.50	6.00	10.00				\$18.65
Services	15.00	*21.00	*15.60	10.00	13.75	12.00	20.00	*9.00	18.67	25.00	*34.11	24.50	6.00	10.00				+14.1
Accident/health insurance		*5.40	*17.80															
Life insurance					3.25													
REGISTRATION:																		
Sub-Total					7.00		5.00		1.00	90.00							40.00	\$24.67
Registration	5.00				5.00		5.00											-2.0
I.D. Card	5.00				2.00				1.00									
College Fee										90.00							40.00	
CAPITAL: Sub-Total	5.00	20.00	20.00		20.00		12.00	19.50			20.00	17.00		10.00		4.00	5.00	\$13.86
Univ. Centre		*20.00	20.00				12.00	*19.50				*10.00		10.00		4.00		+1.7
Rec. Facilities											*20.00							
Science Bldg.																		
Future Projects																		
Arena	5.00				*20.00												*5.00	
Ancillary Operations																		
STUDENT ACTIVITY:																		
Sub-Total	25.00	60.50	46.00	39.00	46.50	50.00	30.00	49.60	15.25	57.25	23.00	35.50	55.00	44.50	50.00	69.70	27.00	\$42.58
Incidental Activity								*42.10							50.00			+0.2
Special Activity																13.20		
Guest Fund								*7.50										
Student Association	25.00	*60.50	*46.00	*39.00	*46.50	50.00	*30.00		*15.25	*57.25	*23.00	*35.50	*55.00	44.50		56.50	27.00	
ATHLETICS:																		
Sub-Total	30.00	72.80	40.00	25.00	30.00	30.00	35.00	28.00	46.77	59.00	36.00	48.65	35.00	20.00		12.80		\$36.60
																		+4.6
OTHER: Sub-Total																		
General Ancillary								7.20	30.52	75.00				17.50	76.00	25.00		\$30.54
Hart House									30.52					76.00				+1.5
Bus/Parking								*7.20		75.00								
Learning Support																25.00		
Student Centre														17.50				
TOTALS	\$80.00	\$179.70	\$139.40	\$74.00	\$120.50	\$92.00	\$102.00	\$113.30	\$112.21	\$306.25	\$113.11	\$125.25	\$96.00	\$102.00	\$126.00	\$111.50	\$72.00	\$121.51
% CHANGE																		
1982-83/1983-84	+9.6	+7.3	+9.2	0.0	-4.0	+3.4	0.0	+2.8	+2.5	+8.5	+28.2	+6.3	+2.1	-2.4	+5.0	+3.7	+20.0	+5.8

*Indicates fees which were initiated by students, except in the cases of Health fees at Carleton and Guelph which were reported as being only partially student-initiated. All other fees shown were either not student-initiated or their origin is unknown.

1. Guelph: Student Activity. Fees shown for 1982-83 and 1983-84 represent averages of ranges from \$40.00 - \$50.00 and \$42.00 - \$50.00, respectively, within which fee levels vary according to program.

2. Toronto: Health, Athletics and Other (Hart House). Fees shown for 1982-83 and 1983-84 represent averages of ranges from \$40.00 - \$50.00 and \$42.00 - \$50.00, respectively, within which fee levels vary according to program.

under the registration category regarding college fees: Trent's college fees are universally applied enabling them to be displayed as general fees, while similar fees at the University of Toronto vary among the colleges and do not apply to non-collegiate students, necessitating that they be listed under the program-specific ancillary fees in the registration category.) A separate but related cautionary note is that, while historical comparisons can be made in some cases by relating general ancillary fee data collected in 1982-83 and 1983-84 with that gathered in 1977-78 by P.S. Ross and Partners, under the sponsorship of the Ministry of Colleges and Universities, variations in the standards used to establish data bases often make comparisons difficult. Despite such factors and the diversity among general ancillary fees, a number of helpful observations may be made.

Tables 1 and 2 show data gathered on general ancillary fees in the 1982-83 and 1983-84 surveys. As indicated, the average percentage increase for these fees for all institutions over this period was 5.8%, representing an increase of \$6.62 for the year. A 5% formula fee increase occurred during the same period.

Seven institutions (Brock, Carleton, Guelph, Trent, Waterloo, Western and OCA) showed percentage increases in general ancillary fee totals that were higher than the overall average increase of 5.8%. Waterloo had the largest increase of 28.2%; however, the total dollar amount charged, \$113.11, was not out of line when compared with charges elsewhere, which averaged \$121.51. The institution with the highest total general ancillary fee charge was Trent University at \$306.25 (up 8.5% between 1982-83 and 1983-84). As previously mentioned, this amount includes college fees.

Of the ten institutions whose percentage increases were below the overall average increases of 5.8%, Lakehead and Ottawa showed no increases and Windsor and Laurentian had decreases of 2.4% and 4.0%, respectively. The institution having the lowest total general ancillary fee rate was OCA at \$72.00.

The most useful fundamental conclusion which can be drawn from the P.S. Ross study is that, in 1977-78, the average total general ancillary fee for the system was \$71.09.⁹ When compared with the 1983-84 average total general ancillary fee of \$121.51, this represents an increase of 70.9%. Over the same period, formula fees rose 46.3% and the Consumer Price Index rose 55.0%. Given the difficulties in categorization already mentioned and the fact that some of these fees have been increased to reflect rising recovery costs, the increase over this six-year period is not viewed as extraordinary.

While acknowledging the variety in general ancillary fee levels among the institutions, there are indications of consistency in the application of these fees. Services and activities covered by these fees, such as health and athletics, have long been identified and paid for as ancillary, and are, as Council noted previously, "vital to the maintenance of a university community."¹⁰ New fees which are introduced on occasion (such as, in 1983-84, Brock's \$5.00 capital fee towards the cost of their science building, and Carleton's \$5.40 life insurance fee) appear in areas where general ancillary fees have traditionally existed. Further, comparison of the 1983-84 survey entries with those of the P.S. Ross study in 1977-78 indicates that there has not been a proliferation of general ancillary fees. For example, if one examines the prevalence and level of capital fees, an area of some concern, the number of institutions charging these fees has increased from nine to eleven over the period, but the average charge actually declined to \$13.86 in 1983-84 from \$21.94 in 1977-78.¹¹

⁹ This figure is based on data from the P. S. Ross study's Table 19 and its footnotes, adapted to Council's format and criteria for general ancillary fees as used in this memorandum. *Ministry of Colleges and Universities Study of Tuition and Incidental Fees 1977/78*, P. S. Ross and Partners, January 1979, pp.43-44.

¹⁰ Ontario Council on University Affairs, A.M. 82-XII, *Ninth Annual Report*, 1982-83, p. 133.

¹¹ *Ministry of Colleges and Universities Study of Tuition and Incidental Fees 1977/78*, P. S. Ross and Partners, January 1979 pp. 43-44.

Table 3

Summary of Undergraduate Program-Specific Ancillary Fees: 1982-83

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
REGISTRATION: Range of Fees									\$100	\$35-150	\$50	\$50	\$50			
MUSIC & STUDIO RELATED: Range of Fees									\$10-35		\$20-60	\$100-390	\$25			\$55
PROF. SOCIETIES: Range of Fees						\$2-15		\$5-33	\$5-35		\$4-11			\$4-13		
CO-OP PLACEMENT: Range of Fees						\$90					\$105		\$200			
CONSUMABLE SUPPLIES: Range of Fees	\$25			\$10-25	\$20		\$10-50	\$8-30	\$30					\$3-200	\$15-1,500	
LAB & EQUIPMENT Range of Fees		\$9-350			\$20		\$50-200	\$30-150	\$25	\$3-20					\$6-95	
MANUALS & DUPLICATION: Range of Fees		\$5-10					\$6		\$16	\$3-50				\$70	\$10-29	
LAUNDRY: Range of Fees			\$20-82		\$10	\$75		\$20-120	\$30-100							
KITS: Range of Fees						\$500		\$360	\$277-1,674			\$130-2,550			\$30-384	
TRAVEL: Range of Fees		\$140-150		\$100-190		\$100		\$25-180	\$20-168	\$5-550	\$9-250	\$40-150		\$25-150		\$15-200
OTHER: Range of Fees			\$21-63							\$250						

SOURCE: Extracted from Appendix A.

Summary of Undergraduate Program-Specific Ancillary Fees: 1982-83

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
REGISTRATION:																
Average Fee									\$63	\$95		\$50	\$52		\$10	
Range of Fees									\$2-160	\$40-150		\$50	\$52		\$10	
# Student Payments									22,078	16		430	60		231	
MUSIC & STUDIO RELATED:																
Average Fee	\$15								\$30	\$30	\$30	\$120	\$13		\$15	
Range of Fees	\$10-25								\$20-45		\$2-60	\$105-410	\$13		\$15	
# Student Payments	103								370		1,377	525	110		18	
PROF. SOCIETIES:																
Average Fee						\$11		\$13	\$12		\$8			\$9		
Range of Fees						\$10-20		\$6-37	\$5-40		\$4-11			\$4-20		
# Student Payments						2,000		9,813	20,280		16,181			5,871		
CO-OP PLACEMENT:																
Average Fee						\$90			\$21		\$110		\$210			
Range of Fees						\$90			\$21		\$110		\$210			
# Student Payments						50			62		8,800		319			
CONSUMABLE SUPPLIES:																
Average Fee	\$45	\$5		\$12	\$20		\$35	\$16		\$7				\$117	\$165	
Range of Fees	\$45	\$4-10		\$10-25	\$20		\$10-50	\$8-30		\$3-40				\$5-300	\$15-1,500	
# Student Payments	93	206		295	810		1,437	474		335				2,095	1,353	
LAB & EQUIPMENT:																
Average Fee	\$15			\$20	\$20		\$135	\$91	\$18	\$15	\$13	\$60		\$43	\$25	
Range of Fees	\$15			\$20	\$20		\$135	\$35-360	\$10-20	\$6-25	\$10-60	\$60		\$25-45	\$5-100	
# Student Payments	105			2,267			301	538	15,576	679	4,287	210		1,200	2,223	
MANUALS & DUPLICATION:																
Average Fee	\$9					\$6				\$4				\$70	\$50	
Range of Fees	\$5-10					\$6				\$2-7				\$70	\$50	
# Student Payments	500					1,500				983				395	182	
LAUNDRY:																
Average Fee			\$62	\$10	\$75		\$99	\$66			\$10					
Range of Fees			\$30-110	\$10	\$75		\$40-180	\$25-100			\$10					
# Student Payments			480	320	100		1,035	734			40					
KITS:																
Average Fee					\$500		\$360	\$987			\$1619				\$158	
Range of Fees					\$500		\$360	\$287-2,058			\$170-276				\$90-305	
# Student Payments					100		75	450			224				778	
TRAVEL:																
Average Fee	\$200	\$141		\$50	\$100		\$145	\$128	\$166	\$140	\$53	\$127		\$66	\$49	\$147
Range of Fees	\$200	\$125-175		\$10-200	\$100		\$125-225	\$40-180	\$35-340	\$2-600	\$3-425	\$40-150		\$25-150	\$2-65	\$30-200
# Student Payments	11	198		1,560	50		101	2,395	472	175	1,136	185		80	160	380
OTHER:																
Average Fee			\$50							\$250					\$50	
Range of Fees			\$475							\$250					\$50	
# Student Payments										25					1,500	

SOURCE: Extracted from Appendix B.

2. Program-Specific Ancillary Fees.

Several caveats need to be mentioned before examining the data in Tables 3 and 4 and Appendices A and B on program-specific ancillary fees. A particularly important fact to note is the difficulty in attempting to determine what overall cost might be incurred in program-specific ancillary fees by an individual student. Many of these fees are charged per course; therefore, total cost would depend on the number and mix of such courses in a student's curriculum. One must note as well that not all courses charge program-specific ancillary fees. Another major problem arises in attempting to identify institutions where, on the basis of their program-specific ancillary fee listings, these fees might appear to be excessive and/or growing in number. Institutions with numerous program-specific ancillary fees across many programs may be offering their students reduced costs and convenience through the centralized, collective buying of ancillary materials, equipment and services. In providing this, however, such institutions may appear to have a large number of program-specific ancillary fees. Other institutions requiring their students to obtain similar kinds of materials, equipment and services for similar programs would not report such fees if their students were left to make purchases at campus bookstores or on the open market.

One should also bear in mind the absence of historical data on program-specific ancillary fees (such as the P.S. Ross study provided for general ancillary fees), and the fact that gaps still remain in these current data. The much improved reporting of program-specific ancillary fees by the institutions in the 1983-84 survey, and the different display format than that of last year, may be interpreted as indicating that these fees have grown rapidly in number, although this may not be the case. Continued careful monitoring of these fees will be necessary before conclusions may be drawn as to whether they are, in fact, increasing in number or level or are being charged in disciplines where such fees did not previously exist.

Table 4 indicates the diversity in cost and application of all program-specific ancillary fees for 1983-84. The fees shown range from a low of, for example, \$2.00 at Waterloo in the Music and Studio Related category, to a high of \$2,765.00 at Western in the Kits category. Ranges also vary markedly within categories, and even within individual institutions under the same category. For example, travel fees at Trent range from a low of \$2.00 to a high of \$600.00. (In this instance, as is the case with many program-specific ancillary fees, a student has the option of taking courses involving these expenditures, but if the choice is exercised the associated costs become compulsory.) Within a single course or program the greatest range is in Dentistry at Western where, as shown in Appendix B ix), the fees for instrument kits vary from a low of \$170.00 for students in Year IV to a high of \$2765.00 for those in Year II. (One should note that similar ranges exist for required medical kits as well, however, some of these charges do not appear in the data because institutions have not identified and reported them as compulsory ancillary fees.) Particular program-specific ancillary fees affect as few as 7 Biology students paying a travel fee at Carleton University (see Appendix B x)), or involve as many as 20,280 students paying fees for professional societies at the University of Toronto (see Appendix B iii)).

On reviewing the 1983-84 data in Appendix B it is evident that most program-specific ancillary fees are associated with Professional and Science programs and departments. Also, certain options, such as Co-operative Placement, seem to require these fees. Few program-specific ancillary fees appear in the Humanities and Social Sciences, the only regular exceptions being Fine Arts, Music and Geography.

Drawing conclusions from the data for program-specific ancillary fees is difficult, largely due to the fact that exhaustive reporting did not occur until the 1983-84 survey. Despite the absence of supporting evidence based on a retrospective analysis, it is Council's opinion that these fees generally appear in programs or departments where they have traditionally been charged, and that, for the most part, these fees continue

to cover instructional services, equipment or activities which have regularly been supplemented by ancillary charges.

On the basis of the arguments presented and the available data on compulsory ancillary fees (general and program-specific), and particularly in light of the improved response to the 1983-84 survey vis-a-vis the limited information from previous years, it is Council's judgement that no intervention by Government is required.

Accordingly, Council *recommends to the Minister:*

OCUA 84-1

COMPULSORY ANCILLARY FEES

THAT no action be taken by the Minister regarding compulsory ancillary fees and that the current practice whereby institutions determine the application and level of these fees be allowed to continue, pending recommendations which may result from Council's monitoring process.

Compulsory Ancillary Fees and the Ontario Student Assistance Program

In her letter of June 8, 1983, to the Chairman of Council, the Minister stated that, following receipt of Council's advice on compulsory ancillary fees, she intended "to give consideration to adjusting Ministry policy in a manner consistent with present practice for books and supplies, local travel, etc . . . (for which) OSAP support . . . is limited to an identified maximum".¹² Among the views expressed in Advisory Memorandum 82-XII, Council noted that "the current OSAP policy does not entail substantial payments relating to ancillary fees".¹³ This opinion is still held by Council, which also continues to share "Cabinet's concern for the impact of ancillary fees on the provincial policy of accessibility".¹⁴

Coverage of compulsory ancillary fee charges to university students supported through OSAP in 1983-84 represented only 3.23%, or \$1.44 million, of the total cost of grants, and only 2.75%, or \$2.93 million, of the total cost of loans.¹⁵ Recognizing that these amounts have grown since 1981-82 by 17.1% (\$210,000) for grants and by 45.1% (\$910,000) for loans, but noting at the same time that the number of OSAP recipients has increased by approximately 44.0%, Council still views the level of OSAP funds expended on compulsory ancillary fees as being relatively small, and not indicative of substantial indirect support going towards institutional operating costs through this means.¹⁶ Given the relatively low increases required in OSAP support to cover compulsory ancillary fee costs, in contrast to the added burden which low-income students would have to bear if certain compulsory ancillary fees or portions thereof were declared ineligible for coverage by the Ministry, it remains Council's judgement that all compulsory ancillary fees should continue to be eligible for OSAP support.

Accordingly, Council *recommends to the Minister:*

OCUA 84-2

COMPULSORY ANCILLARY FEES AND THE ONTARIO STUDENT ASSISTANCE PROGRAM

THAT all compulsory ancillary fees charged by any of the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College should continue to be eligible for support under the Ontario Student Assistance Program.

M. Paikin
Chairman
May 25, 1984

¹². Letter from the Honourable Dr. B. Stephenson to Dr. B. C. Matthews, June 8, 1983, p.1.

¹³. Ontario Council on University Affairs, A.M. 82-XII, Ninth Annual Report, 1982-83, p. 137.

¹⁴. Letter from the Honourable Dr. D. Stephenson to Dr. B. C. Matthews, June 8, 1983, p. 1.

¹⁵. This information was provided by the Student Awards Branch, Ministry of Colleges and Universities.

¹⁶. *Ibid.*

APPENDICES A AND B **UNDERGRADUATE PROGRAM-SPECIFIC ANCILLARY FEES:** **1982-83 AND 1983-84**

General Caveats

- a) The sources of information are COU and individual institutions.
- b) Reference to the Ontario College of Art has been deleted as it reported no program-specific ancillary fees for full-time undergraduate students for the Fall and Winter terms.
- c) Roman numerals accompanying the course and program listings displayed under the eleven categories of fee types refer to year levels.
- d) Where necessary, figures have been rounded to the nearest dollar (i.e. \$0.01 to \$0.50 to the lower dollar and \$0.51 to \$0.99 to the higher dollar).
- e) Averaging of fee ranges for convenience occurs only in instances where the ranges are \$4.00 or less, as indicated below:

Appendix A: 1982-83

Carleton:	A vi)	— <i>Lab and Equipment</i>	
		- Biology	- \$7-11 = \$9
		- Computer Science	- \$7-11 = \$9
		- Geology	- \$7-11 = \$9
Ottawa:	A vii)	— <i>Manuals & Duplication</i>	
		- Engineering	- \$5-\$7 = \$6
		- Science	- \$5-\$7 = \$6
Toronto:	A vii)	— <i>Manuals & Duplication</i>	
		- Science	- \$15-\$18 = \$16

Appendix B: 1983-84

Ottawa:	B vii)	— <i>Manuals & Duplication</i>	
		- Science & Engineering	- \$5-\$7 = \$6
Toronto:	B iii)	— <i>Professional Societies</i>	
		- Architecture	- \$19-\$20 = \$19
Waterloo:	B x)	— <i>Travel</i>	
		- Human Kinetics	- \$2-\$5 = \$3

- f) Where large fee ranges were reported within which students were compelled to pay only the minimum charge, and with the option to spend larger amounts, the lowest payment level necessary is shown in the appendices. For those cases, complete ranges are shown below:

Appendix A = 1982-83

Ryerson: A v)	— <i>Consumable Supplies</i>	
	- Film/Photo II (Film)	\$ 375-\$ 415
	- Film/Photo III (Film)	\$ 700-\$ 905
	- Film/Photo IV (Film)	\$1500-\$ +
	- Film/Photo III (Photo)	\$ 370-\$ 579
	- Film/Photo IV (Photo)	\$ 530-\$ 580
	- Film/Photo III (Media)	\$ 15-\$ 230
	- Film/Photo IV (Media)	\$ 15-\$1065
	- Theatre I-III (Tech/Prod)	\$ 25-\$ 100

Appendix B: 1983-84

Carleton: B x)	— <i>Travel</i> - Biology	\$ 135-\$ 825
Windsor: B x)	— <i>Travel</i> - Human Kinetics	\$ 25-\$ 70
Ryerson: B v)	— <i>Consumable Supplies</i>	
	- Film/Photo II (Film)	\$ 375-\$ 415
	- Film/Photo III (Film)	\$ 700-\$ 905
	- Film/Photo IV (Film)	\$1500-\$ +
	- Film/Photo III (Photo)	\$ 370-\$ 579
	- Film/Photo IV (Photo)	\$ 530-\$ 580
	- Film/Photo III (Media)	\$ 15-\$ 230
	- Film/Photo IV (Media)	\$ 15-\$1065

- g) Where 1982-83 information remained incomplete in not identifying particular courses and/or programs to which reported fees pertained, the courses and/or programs identified in 1983-84 have been transposed to the 1982-83 appendices, as indicated below:

- Queen's:** A iii) uses B iii) categories under *Professional Societies*
 - Applied Science, Arts and Science, Commerce, Education, Law, Medicine, Nursing, Phys. Ed., Rehab. Therapy.
 A v) uses B v) categories under *Consumable Supplies*
 - Fine Arts, Nursing, Phys. Ed.
 A vi) uses B vi) categories under *Lab & Equipment*
 - Medicine, Nursing, Phys. Ed., Rehab. Therapy
 A x) uses B x) categories under *Travel*
 - Commerce, Education (Outdoor), Fine Arts, Law, Medicine, Nursing, Phys. Ed., Rehab. Therapy
- Trent:** A vi) uses B vi) categories under *Lab & Equipment*
 - Biology, Chemistry, Environmental Studies
- Waterloo:** A iii) uses B iii) categories under *Professional Societies*
 - Architecture, Arts, Engineering, Environmental Studies, Human Kinetics, Phys. Ed., Mathematics, Optometry, Science.
- Waterloo:** A x) uses B x) categories under *Travel*
 - Architecture, Biology, Earth Science, Civil Engineering, Geography, Human Kinetics, Planning.
- Western:** A x) uses B x) categories under *Travel*
 - Biology, Geology, Zoology

Windsor: A iii) uses B iii) categories under *Professional Societies*
 - Business Administration, Dramatic Arts, Education,
 Engineering, Human Kinetics, Phys. Ed., Law, Nursing,
 Social Science, Social Work, Visual Arts.

h) Enrolment by year in the case of the programs listed below is approximate:

Appendix B: 1983-84

Guelph:	B viii)	— <i>Laundry</i> - Vets I-IV	- 120/year
McMaster:	B iv)	— <i>Co-op Placement</i>	- 50/term
Ottawa:	B vii)	— <i>Manuals and Duplication</i>	- 1,500/year
Queen's:	B v)	— <i>Consumable Supplies</i>	
		- Medicine I-IV	- 75/year
		- Fine Art - Sculpture	- 75/year
		- Print Making	- 75/year
	B vi)	— <i>Lab & Equipment</i>	
		- Medicine I & II	- 75/year
		- Nursing I	- 70/year
		- Phys. Ed. III-IV	- 125/year
	B viii)	— <i>Laundry</i>	
		- Education (Outdoor)	- 25/year
		- Medicine I-IV	- 75/year
		- Nursing I	- 70/year
		- Phys. Ed. III & IV	- 125/year
		- Rehab. Therapy II-IV	- 150/year
	B x)	— <i>Travel</i>	
		- Commerce	- 736/year
		- Education	- 599/year
		- Fine Arts III	- 25/year
		- Law	- 451/year
		- Medicine IV	- 75/year
		- Phys. Ed.	- 125/year
		- Rehab. Therapy II-IV	- 50/year
Waterloo:	B viii)	— <i>Laundry</i>	
		- Human Kinetics	- 40/year
Western:	B ix)	— <i>Kits</i>	
		- Dentistry	- 56/year

NOTE: Numbered footnotes follow the appendices

Appendices

Appendix A i)

Undergraduate Program-Specific Ancillary Fees: 1982-83 Registration

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
REGISTRATION:																
Engineering									*\$100°							
Internship													\$50°			
Medicine												\$50°				
Spanish (Year Abroad)										\$35-150°						

*Indicates fees which were initiated by students. Alls other fees shown were either not student-initiated or their origin is unknown.

Legend indicating fee charges:

° = program by year

¶ = program by term

† = course by year

§ = course by term

Appendix A ii)

Undergraduate Program-Specific Ancillary Fees: 1982-83 Music & Studio Related

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
MUSIC & STUDIO RELATED:																
Architecture											\$20§					
Drama (Audition)									\$10°							
Film (Screening)									\$15†							
Fine Arts									\$20°				\$25†			
Music (Instrument)									\$30-35°		\$60§	\$100°				
(Private Lessons)											\$390°					
Theatre I (Acting)																\$55°

Legend indicating fee charges:

° = program by year

¶ = program by term

† = course by year

§ = course by term

Appendix A iii

Undergraduate Program-Specific Ancillary Fees: 1982-83
Professional Societies

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
PROFESSIONAL SOCIETIES:																
Applied Science								\$5-33°								
Architecture											\$4-11°					
Arts											\$4-11°					
Arts & Science								\$5-33°								
Business Administration														\$4-13°		
Colleges & Programs									\$5-35°							
Commerce								\$5-33°								
Dramatic Arts														\$4-13°		
Education								\$5-33°						\$4-13°		
Engineering								\$2-15°			\$4-11°			\$4-13°		
Environmental Studies											\$4-11°					
Human Kinetics											\$4-11°			\$4-13°		
Law								\$5-33°						\$4-13°		
Mathematics											\$4-11°					
Medicine								\$2-15°								
Nursing								\$2-15°						\$4-13°		
Optometry											\$4-11°					
Physical Education								\$5-33°								
Rehabilitation Therapy								\$5-33°								
Science											\$4-11°					
Social Science														\$4-13°		
Social Work														\$4-13°		
Visual Arts														\$4-13°		

Legend indicating fee charges:

° = program by year

¶ = program by term

† = course by year

§ = course by term

Undergraduate Program-Specific Ancillary Fees: 1982-83

Co-op Placement

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
CO-OP PLACEMENT:																
Co-op											\$105 [†]		\$200°			

Legend indicating fee charges:

° = program by year

† = program by term

‡ = course by year

§ = course by term

Appendix A v)

Undergraduate Program-Specific Ancillary Fees: 1982-83

Consumable Supplies

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
CONSUMABLE SUPPLIES:																
Administrative Studies																
Biology																\$22 [‡]
Communication Arts																
Computer Science																\$100°
Education																\$5-15 [‡]
Engineering																
Film/Photo I																
II (Film)																\$329°
III (Film)																\$375°
IV (Film)																\$700°
II (Photo)																\$1500°
III (Photo)																\$15°
IV (Photo)																\$370°
II (Photo)																\$530°
III & IV (Photo)																\$37°
III & IV (Media)																\$15°

Legend indicating fee charges:

° = program by year

† = program by term

‡ = course by year

§ = course by term

Undergraduate Program-Specific Ancillary Fees: 1982-83 Consumable Supplies

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windor	York	Ryerson
Fine Arts								\$8-15 ^β							\$25-145 [†]	
Geography															\$3-50 [†]	
Graphic Arts I-III															\$165°	
Interior Design I															\$45°	
II															\$40°	
III															\$20°	
IV															\$15°	
Journalism I															\$25°	
I-III															\$30°	
Library Technology								\$10-20 [†]								
Medicine									\$30°							
Nursing								\$15-30°								
Physical Education															\$150-200°	
Science															\$4-60 [†]	
Sports Administration																
Theatre I-III (Tech/Prod)																
Visual Arts								\$10-50 [†]								\$25°

Legend indicating fee charges: ° = program by year † = program by term ‡ = course by year β = course by month

Legend indicating fee charges:

Undergraduate Program-Specific Ancillary Fees: 1982-83 Lab & Equipment

FEET TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
LAB & EQUIPMENT																
Architecture		\$350°														
Biology		\$9+								\$3-20†						
Chemistry										\$3-20†						
Computer Science		\$9+														
IV																
Comp. Sci. & Lab. courses					\$20†										\$50†	
Environmental Studies										\$3-20†						
Fashion I																\$31°
II																\$13°
III (Design)																\$19°
III (Merchdsng.)																\$6°
Fine Arts																
Food/Nutrtn., Consumer/ Family I																\$15°
III & IV																\$10°
Geology			\$9+													
Hospitality/Trsm. II & III																\$95°
Medicine																
Natural Sciences									\$30-150°							\$10†
Nursing																
Physical Education									\$30-150°							
Rehabilitation Medicine									\$30-150°							
Rehabilitation Therapy									\$25°							
Secretarial/Admin. I-IV									\$30-150°							\$10°

*Indicates fees which were initiated by students. All other fees shown were either not student-initiated or their origin is unknown.

Legend indicating fee charges:

Appendix A vii)

Undergraduate Program-Specific Ancillary Fees: 1982-83

Manuals & Duplication

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windso	York	Ryerson
MANUALS & DUPLICATION:																
Biology						\$5 [†]				\$3-12 [†]						
IV										\$50 [†]						
Chemistry						\$5 [†]				\$3-12 [†]						
Computer Science						\$10 [†]										
Engineering										\$6 [†]						
Hospitality/Trsm. I																\$20 [°]
II																\$29 [°]
III																\$15 [°]
IV																\$10 [°]
Law														\$70 [°]		
Mathematics						\$10 [†]										
Physics										\$3-12 [†]						
Science										\$6 [†]						
Statistics						\$10 [†]				\$16 [†]						

Legend indicating fee charges:

° = program by year

† = program by term

‡ = course by year

§ = course by term

Undergraduate Program-Specific Ancillary Fees: 1982-83

Laundry

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
LAUNDRY:																
Clinical Education								\$75°								
Education (Outdoor)								\$20-80°								
Fine Arts								\$20-80°								
Health Sciences								\$20-80°								
Medicine								\$120°	\$30-100°							
Physical Education								\$115°								
Phys. Ed./Sports Admin.								\$10°								
Science																
Veterinary Medicine								\$20-82°								

Legend indicating fee charges:

° = program by year

¶ = program by term

† = course by year

§ = course by term

Appendix A ix)

Undergraduate Program-Specific Ancillary Fees: 1982-83

Kits

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
KITS: ²																
Dentistry																
Electrical Tech. I									\$277-1,674°		\$130-2,550°					\$75°
I																\$45°
II																\$30°
III																\$100°
III																\$50°
Interior Design I																\$384°
Medicine									\$500°		\$360°					

Legend indicating fee charges:

° = program by year

¶ = program by term

† = course by year

§ = course by term

Undergraduate Program-Specific Ancillary Fees: 1982-83

Travel

FEE TYPE	Brock	Carleton ³	Guelph	Lkhd. ⁴	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
Outdoor Recreation			\$100°													
Physical Education			\$100°					\$25-180°	\$54°							
									\$78°							
Planning										\$9-100†						\$200°
I-IV																
Rehabilitation Therapy								\$25-180°								
Zoology												\$40-150†				
Legend indicating fee charges:	° = program by year	¶ = program by term	† = course by year	§ = course by term												

Appendix A xi)

Undergraduate Program-Specific Ancillary Fees: 1982-83

Other

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
OTHER:																
French & German (Yr. Abroad Activity)											\$250°					
Veterinary Medicine (Rabies)			\$21-63°													
Legend indicating fee charges:	° = program by year	¶ = program by term	† = course by year	§ = course by term												

Appendix B i)

Undergraduate Program-Specific Ancillary Fees: 1983-84
Registration

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto ^o	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
REGISTRATION:																
Bachelor Bus. Admin.									* \$100x2,600°						\$10x231¶	
Engineering													\$52x60°			
Internship												\$50x430°				
Medicine										\$ 40x8°						
Spanish (Year Abroad)										\$150x8°						
Erindale College									\$33x3,891°							
Innis College									\$28x831°							
New College									\$19x2,123°							
St. Michael's College									\$129x2,567°							
Scarborough College									\$30x3,696°							
Trinity College									\$160x1,008°							
University College									\$15x2,395°							
Victoria College									\$120x2,474°							
Woodsworth College									\$2x493°							
SUB-TOTALS:																
Revenue									\$1,389,102	\$1,520		\$21,500	\$3,120		\$2,310	
* Student Payments									22,078	16		430	60		231	
Average Payment									\$63	\$95		\$50	\$52		\$10	

*Indicates fees which were initiated by students. All other fees shown were either not student-initiated or their origin is unknown.

Legend indicating fee charges:

° = program by year

¶ = program by term

§ = course by term

Appendix B ii)

Undergraduate Program-Specific Ancillary Fees: 1983-84

Music & Studio Related

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo ⁶	Western	WLU	Windsor	York	Ryerson
MUSIC & STUDIO RELATED:																
Architecture											\$60x500†					
Drama									\$30x52†							
Fine Arts											\$2x56§					
											\$5x35§					
											\$10x545§	\$13x110§				
									\$20x39§	\$15x115§						
									\$40x20§	\$25x23§						
									\$45x31§	\$27x31§						
										\$30x42§						
Humanities									\$20x98†							
Music										\$10x66†						
										\$20x16†						
										\$25x21†						
(Instrument Fee)									\$35x112§	\$60x30†	\$105x500°					
(Private Lessons)											\$410x25°					
(Score Rental)									\$35x18°							
Theatre I (Dance-Audition)																\$15x18°
SUB-TOTALS:																
Revenue	\$1,505								\$11,045	\$41,934	\$62,750	\$1,430				\$270
# Student Payments	103								370	1,377	525	110				18
Average Payment	\$15								\$30	\$30	\$120	\$13				\$15

Legend indicating fee charges:

° = program by year

¶ = program by term

† = course by year

§ = course by term

Appendix B iii)

Undergraduate Program-Specific Ancillary Fees: 1982-83

Professional Societies

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto?	Trent	Waterloo ⁸	Western	WLU	Windsor	York	Ryerson
PROFESSIONAL SOCIETIES:																
Applied Science																
Architecture																
Arts																
Science																
Arts and Science																
Business Admin.																
Commerce																
Dentistry																
Dramatic Arts																
Education																
Engineering																
Environmental Studies																
Forestry																
Law																
Mathematics																
Medicine																
Music																
Nursing																
Optometry																
Pharmacy																
Physical Education																
Rehab. Therapy																
Social Science																
Social Work																
Visual Arts																
SUB-TOTALS:																
Revenue																
# Student Payments																
Average Payment																

*Indicates fees which were initiated by students. All other fees shown were either not student-initiated or their origin is unknown.

Appendix B iv)

Undergraduate Program-Specific Ancillary Fees: 1983-84

Co-op Placement

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
CO-OP PLACEMENT:																
Co-op Placement						\$90x50 [‡]			\$21x62 [‡]		\$110x8,800 [¶]			\$210x319 [°]		
SUB-TOTALS:																
Revenue						\$4,500			\$1,302		\$968,000			\$66,990		
# Student Payments						50			62		8,800			319		
Average Payment						\$90			\$21		\$110			\$210		

Legend indicating fee charges:

° = program by year

¶ = program by term

‡ = course by year

§ = course by term

Appendix B v)

Undergraduate Program-Specific Ancillary Fees: 1983-84
Consumable Supplies

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York ²	Ryerson
CONSUMABLE SUPPLIES:																
Administrative Studies															\$100x230†	
Biology										\$25x10°						
Communications							\$10x124†									
							\$15x93†									
							\$20x136†									
							\$45x133†									
Computer Science						\$4x167°										
						\$10x39°										
Comp. Sci. & Lab. courses						\$20x810†										
Cultural Studies										\$40x20°						
Education						\$10x224†									\$5x1,000†	
						\$20x35†										
						\$25x16†										
Environmental Studies										\$10x24°						
Film/Photo. II-IV															\$ 15x147°	
II (Photo)															\$ 37x63°	
I															\$329x156°	
III (Photo.)															\$370x21°	
II (Film)															\$375x42°	
IV (Photo.)															\$530x21°	
III (Film)															\$700x42°	
IV (Film)															\$1,500x42°	
Fine Arts															\$10x143†	
							\$15x77 ²								\$300x722†	
Geography							\$8x161 ²			\$3x206°						
										\$5x75°						
Graphic Arts I-III																\$173x115°
Legend indicating fee charges: ° = program by year † = program by term \$ = course by year ² = course by term ² = course by month																

Undergraduate Program-Specific Ancillary Fees: 1983-84

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York ^a	Ryerson
Interior Design I																
II																\$45x66°
III																\$40x51°
IV																\$20x55°
Journalism I-III																\$15x68°
Library Technology						\$10x20°										\$25x94°
Nursing I																
II								\$15x65°								
III								\$30x63°								
IV								\$15x59°								
Theatre I-III								\$25x48°								
Visual Arts																\$50x70°
							\$25x315†									
							\$30x45†									
	\$45x93†						\$50x591†									
SUB-TOTALS:																
Revenue	\$4,185	\$1,058		\$3,540	\$16,200		\$50,115	\$7,393		\$2,283				\$246,030	\$223,285	
# Student Payments	93	206		295	810		1,437	474		335				2,095	1,353	
Average Payment	\$45	\$5		\$12	\$20		\$35	\$16		\$7				\$117	\$165	

Legend indicating fee charges:
^a = program by year
[†] = program by term
[°] = course by year
[§] = course by term

Appendix B vi)

Undergraduate Program-Specific Ancillary Fees: 1983-84
Lab & Equipment Fees

FEE TYPE	Brock	Carleton	Guelph	Lkd.	Lrtn.	McMaster	Ottawa ¹⁰	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York ⁹	Ryerson
LAB & EQUIPMENT:																
Arts									\$10x23†						\$25x100†	
Astronomy									\$10x25†	\$	\$12x155†	\$10x124†				
Biology									\$10x88†							
									\$20x4,031†							
									\$10x50\$							
Botany									\$20x27†							
									\$20x330†							
									\$10x202\$	\$6x121†	\$10x2,833†					
Chemistry									\$10x29†	\$11x108†						
									\$20x3,741†	\$25x243†						\$25x334°
Civil Tech. I-III																
Computer Science									\$10x465\$							
Comp. Sci. & Lab. crs.								\$20x2,267†								
Earth Science I											\$12x245°					
II-IV											\$20x350°					
									\$10x203\$							
									\$10x2†							
									\$20x54†							
Environmental St.										\$10x52†						
Fashion I																\$25x130°
II (Merchd'ng)																\$10x52°
II (Design)																\$20x52°
III (Merchd'ng)																\$13x25°
III (Design)																\$15x25°

Undergraduate Program-Specific Ancillary Fees: 1983-84

[illegible]

Appendix B vi) continued

Undergraduate Program-Specific Ancillary Fees: 1983-84

Lab & Equipment Fees

FEE TYPE	Brock	Carleton	Guelph	Lkd. Ltrn.	McMaster	Ottawa ^o	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York ^a	Ryerson
Physics/Archaeology								\$20x7†							
Planning								\$60x125°							
Psychology								\$10x458§							
								\$20x188†							
							\$40x193°								
Rehabilitation Therapy															\$10x760°
Secretarial/Admin. I-IV															
Survey Science								\$10x234§							
								\$10x51†							
								\$20x28†							
								\$20x78†							
								\$10x70§							
								\$10x14†							
								\$20x688†							
SUB-TOTALS:															
Revenue	\$1,575			\$45,340		\$40,635	\$48,945	\$274,880	\$10,369	\$57,395	\$12,600			\$52,000	\$54,910
# Student Payments	105			2,267		301	538	15,576	679	4,287	210			1,200	2,223
Average Payment	\$15			\$20		\$135	\$91	\$18	\$15	\$13	\$60			\$43	\$25
Legend indicating fee charges:															
° = program by year † = program by term § = course by year ¶ = course by term															

**Undergraduate Program-Specific Ancillary Fees: 1983-84
Manuals & Duplication**

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windor	York	Ryerson
MANUALS & DUPLICATION																
Biology		\$10x357+														
										\$2x180°						
										\$3x45°						
		\$5x143\$								\$4x91°						
										\$7x77°						
Chemistry										\$6x250°						
Hospitality/Tourism I																
Law																\$50x182°
Physics										\$2x170°				\$70x395°		
										\$3x85°						
										\$4x85°						
Science & Engineering																
SUB-TOTALS:							\$6x1,500+									
Revenue		\$4,835					\$9,000			\$3,833				\$27,650		\$9,100
# Student Payments		500					1,500			983				395		182
Average Payment		\$9					\$6			\$4				\$70		\$50

Legend indicating fee charges:
° = program by year
+ = program by term
\$ = course by year
\$ = course by term

Appendix B viii)

Undergraduate Program-Specific Ancillary Fees: 1983-84
Laundry

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
LAUNDRY:																
Clinical Education						\$75x100°		\$110x25°								
Education (Outdoor)											\$10x40°					
Human Kinetics/Leis. Stud.																
Medicine I								\$ 40x75°								
II								\$120x75°	\$ 25x245°							
III								\$120x75°	\$ 75x251°							
IV								\$ 90x75°	\$100x238°							
Nursing I								\$120x70°								
II & III								\$100x114°								
IV								\$ 50x50°								
Phys. Ed./Sports Admin.									\$10x320°							
Physical Education I & II								\$ 50x156°								
III & IV								\$ 50x125°								
Rehabilitation Therapy I								\$180x45°								
II-IV								\$ 60x150°								
Veterinary Medicine I&II								\$ 30x240°								
III								\$ 80x120°								
IV								\$110x120°								
SUB-TOTALS:																
Revenue			\$30,000		\$3,200	\$7,500		\$83,950	\$48,750		\$400					
# Student Payments			480		320	100		1,035	734		40					
Average Payment			\$62		\$10	\$75		\$81	\$66		\$10					
Legend indicating fee charges:																
			° = program by year		° = program by term			° = course by year			° = course by term					

Appendix B ix)

Undergraduate Program-Specific Ancillary Fees: 1983-84
Kits

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York	Ryerson
KITS: ²																
Dentistry I									\$2,058x103°			\$2,410x56°				
II									\$1,368x111°			\$2,765x56°				
III									\$ 392x119°			\$1,130x56°				
IV									\$ 287x117°			\$ 170x56°				
Electrical Tech. I																\$200x250°
II																\$ 90x256°
III																\$145x206°
Interior Design I																\$305x66°
Medicine									\$500x100°			\$360x75°				
SUB-TOTALS:																
Revenue						\$50,000		\$27,000	\$444,049			\$362,600				\$123,040
# Student Payments						100		75	450			224				778
Average Payments						\$500		\$360	\$987			\$1,619				\$158

Legend indicating fee charges:

° = program by year

¶ = program by term

† = course by year

§ = course by term

Appendix B x)

Undergraduate Program-Specific Ancillary Fees: 1983-84
Travel

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Ltrn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo ¹⁾	Western	WLU	Windsor	York ⁶	Ryerson
TRAVEL:																
Applied Geog. I & III																\$30x100°
III																\$100x31°
Architecture											\$260x65\$					
IV									\$108x44°							
									\$175x15°							
									\$ 60x60°							
Arch/Landscape Arch. I									\$215x14+	\$10x13+	\$95x24+	\$40x30+				
Biology		\$135x7°							\$245x11+	\$600x15+	\$425x10+					
									\$40x736°							
Commerce											\$70x50+					
Earth Science																\$65x95+
Ecology									\$180x599°							
Education														\$50x30+		
Engineering (Civil)											\$90x140+					
(Degree)				\$10x284°												
(Tech.)				\$10x290°												
Fine Arts III									\$165x25°							
Forestry (Degree)									\$ 35x52°							
(Degree)									\$ 45x28°							
(Degree)									\$170x39°							
(Degree)									\$260x46°							
(Degree)									\$340x45+							
(Degree) I				\$ 55x79°												
(Degree) II				\$ 80x69°												
(Degree) III				\$155x55°												

¹⁾ 1983-84 academic fees charged.

° = program by year

† = program by term

+ = course by year

\$ = course by term

Undergraduate Program-Specific Ancillary Fees: 1983-84

Travel

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo ¹¹	Western	WLU	Windsor	York ⁹	Ryerson
Forestry (Degree) IV				\$200x57°												
(Tech.) I				\$ 55x79°												
(Tech.) II				\$ 80x71°												
Geography		\$125x78°				\$125x60†			\$ 2x27† \$ 45x17†						\$65x25†	
						\$155x30†			\$ 5x35† \$110x44†							
									\$ 8x50†							
									\$150x8†							
									\$500x27†							
Geography III									\$90x14°							
Geology		\$200x11° \$150x21°				\$100x50†					\$130x51†			\$150x20†		
		\$175x52°														
II									\$200x55°							
III									\$250x49°							
Human Kinetics										\$ 3x530\$				\$25x30†		
										\$110x26\$						
										\$160x35\$						
Journalism		\$125x40°														
Law								\$180x451°								
Library Tech. I			\$ 20x17°													
II			\$125x11°													
Medicine IV								\$135x 75°								
Nursing			\$ 35x182°					\$180x234°								
Outdoor Rec. I-IV			\$ 95x208°													
Physical Education			\$ 25x158°					\$ 60x125°								

Legend indicating fee charges:

° = program by year

† = program by term

‡ = course by year

§ = course by term

Appendix B x) continued

Undergraduate Program-Specific Ancillary Fees: 1983-84
Travel

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo ¹¹	Western	WLU	Windsor	York ⁹	Ryerson
Planning											\$10x140 ⁺					\$200x249 ⁹
											\$60x55 ⁺					
Recreation											\$225x11 ⁺					
Rehabilitation Therapy II & III											\$180x100 ^o					
IV											\$120x50 ^o					
Sociology																\$2x40 ⁺
Zoology												\$150x104 ⁺				
SUB-TOTALS:																
Revenue	\$2,200	\$27,945		\$77,350		\$5,000	\$14,625	\$306,310	\$78,162	\$24,459	\$59,895	\$23,430		\$5,250	\$7,880	\$55,900
# Student Payments	11	198		1,560		50	101	2,395	472	175	1,136	185		80	160	380
Average Payment	\$200	\$141		\$50		\$100	\$145	\$128	\$166	\$140	\$53	\$127		\$66	\$49	\$147

Legend indicating fee charges:

^o = program by year

[¶] = program by term

⁺ = course by year

[§] = course by term

Appendix B xi)

Undergraduate Program-Specific Ancillary Fees: 1983-84
Other

FEE TYPE	Brock	Carleton	Guelph	Lkhd.	Lrtn.	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	WLU	Windsor	York ⁹	Ryerson
OTHER:																
Arts & Sci. (Computer)																
Vet. Meds. I-IV (Rabies)																\$50x1,500 ⁺
French & German (Yr. Abroad Activity)																
											\$250x25 ^o					
SUB-TOTALS:																
Revenue			\$23,750													\$75,000
# Students Payments			475								25					1,500

Appendices A and B Undergraduate Program-Specific Ancillary Fees: 1982-1983 and 1983-84

Numbered Footnotes

1. *Queen's: Consumable Supplies* - In Fine Arts, students enrolled in print-making and sculpture courses are charged materials fees of \$15 per month and \$8 per month, respectively, for those months in which students use these materials. There were a total of 77 student months charged for print-making materials with a course enrolment of 75 students in 1983-84. There were 161 student months charged for sculpture materials with a course enrolment of 75 students in 1983-84.
2. *Ottawa, Toronto, Western: Kits* - Medical kit charges are not reported as compulsory ancillary fees by Ottawa, Toronto and Western, while they are reported as such by McMaster and Queen's.
3. *Carleton: Travel* - The \$150 charge shown for Biology and Geography is the average cost to students per course in these disciplines, with optional costs in Biology ranging up to \$700.
4. *Lakehead: Travel* - The average payment per year for most students in the disciplines listed, with the exception of Forestry IV as shown, is \$100.
5. *Toronto: Registration* - College registration fees listed entail the following charges:

Erindale	- Student Union (\$27.75) and Scholarship Fund (\$5)
Innis	- Student Council (\$27) and Innis Foundation (\$1)
New	- Student Council (\$19)
St. Michael's	- Student Union (\$19), Library (\$55) and Student Centre (\$55)
Scarborough	- Student Council (\$20) and Library (\$10)
Trinity	- Student Union (\$160.50)
University	- Literary and Athletics Society (\$15)
Victoria	- Student Administrative Council (\$28), Wymilwood Student Union (\$37) and Library (\$55)
Woodsworth	- Student Association (\$2)
6. *Waterloo: Music & Studio Related* - Fine Arts fees were categorized as lab fees by Waterloo in an addendum to their submission for this survey; however, in terms of the categories used here and because of the nature of these fees they are displayed under the Music & Studio Related rubric.
7. *Toronto: Professional Societies* - The Arts and Science fee of \$5 is charged by the following colleges - Innis, New, St. Michael's, Trinity, University, Victoria and Woodsworth. Architecture includes Landscape Architecture.
8. *Waterloo: Professional Societies* - The fees indicated are charged per term with the enrolment totals shown including both the Falls and Winter counts.
9. *York: Consumable Supplies, Lab & Equipment, Travel, and Other* - Enrolment totals are estimates and include part-time students.
10. *Ottawa: Lab & Equipment* - The Fine Arts fee of \$135 is the approximate average payment per student within a range which extends from \$50 to \$200.
11. *Waterloo: Travel* - The Architecture fee charge varies annually depending on the location chosen for field trips. The Human Kinetics fee shown represents only partial travel costs, with the university absorbing the balance.

84-II Graduate Program Funding - Visual Arts (MFA), University of Windsor; Industrial Relations (MIR) Queen's University

While it is Council's intention to move to a format whereby it offers advice on program funding to the Minister on an annual basis rather than several times a year, it appears that this format will have to be phased in. At the time Advisory Memorandum 83-VIII was accepted by the Minister, nine programs were being reviewed by Council's Academic Advisory Committee. In this memorandum, Council offers advice on two of these programs. Of the remaining seven programs, several, though only relatively recently submitted to Council, have been in existence since the 1970s. Council hopes to be in a position to offer advice on these early in the fall of this year, and so clear the backlog of programs.

Visual Arts (MFA), University of Windsor

Council has reviewed the advice of its Academic Advisory Committee regarding the University of Windsor's new master's program in Fine Arts.¹ This program meets all of Council's interim funding criteria for new graduate programs. Because of the unique orientation of the program, the employment opportunities available for its graduates and the continuing student demand for the program, formula funding support should be committed even in a time of economic constraint.

Accordingly, Council *recommends to the Minister:*

OCUA 84-3

FUNDING FOR THE MASTER'S PROGRAM IN VISUAL ARTS AT THE UNIVERSITY OF WINDSOR FOR 1986-87

THAT the MFA program in Visual Arts at the University of Windsor be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1984-85 on, be included in the moving average for the university.

Industrial Relations (MIR), Queen's University

Council has examined the advice of its Academic Advisory Committee with respect to Queen's University's new master's program in Industrial Relations.² Council finds that the program meets all of Council's interim funding criteria for new graduate programs. Even in a time of economic constraint formula funding should be made available, especially because of the pressing need for highly trained industrial relations' practitioners and because the Queen's program will complement rather than duplicate the University of Toronto's program.

Accordingly, Council *recommends to the Minister:*

OCUA 84-4

FUNDING FOR THE MASTER'S PROGRAM IN INDUSTRIAL RELATIONS AT QUEEN'S UNIVERSITY FOR 1986-87

THAT the MIR program in Industrial Relations at Queen's University be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1985-86 on, be included in the moving average for the university.

M. Paikin
Chairman

June 15, 1984

¹ See Appendix A.
² See Appendix B.

Appendix A

ONTARIO COUNCIL ON UNIVERSITY AFFAIRS ACADEMIC ADVISORY COMMITTEE

Master's Program in Visual Arts (M.F.A.), University of Windsor —
New Graduate Program considered for Formula Funding

On April 20, 1983, the University of Windsor requested that Council consider for funding approval its new graduate program in Visual Arts. Council referred the matter to its Academic Advisory Committee.

The Committee reviewed the program in light of four of Council's funding criteria for new graduate programs. Council, of course, must apply the fifth criterion itself — whether the program is deserving of funding even in a time of economic constraint.

1. ACADEMIC APPRAISAL

The Council of Ontario Universities (COU) has certified that the program has passed a rigorous appraisal and at the time of appraisal did not require any improvements.

2. NEED

The Committee particularly focused on the question of the need for this program. In a requested supplementary submission the University of Windsor made a convincing case for the need for the program.

In 1983, thirty students applied for the four first-year positions available. This is three times the number that applied in the initial year of the program (1979). Of the 10 graduates from the program, six have found employment in art-related occupations and all have pursued their careers as exhibiting artists. Employment opportunities for graduates are available in galleries, museums, secondary schools, community colleges and graphic art-related occupations. The Committee is satisfied that there is a societal need for graduates of this program.

3. UNIQUENESS

The only other Visual Art program in Ontario is at York University. The Windsor program is more traditional and structured than the York program, which is geared to individual study concentrating intensively on studio production. The York program is more experimental in nature.

The Committee believes that both approaches to the discipline are equally valid. Some students will find the York program suitable, while for others Windsor's approach will better meet their needs. None of the students currently enrolled at Windsor applied to York.

The Committee is satisfied that the Windsor program in Visual Arts is unique.

4. AIMS, OBJECTIVES AND EXISTING STRENGTHS

Windsor established a Fine Arts undergraduate program in 1968. Approximately \$350,000 has been spent by the university in order to remodel its Fine Arts building and to make needed library and equipment purchases for the Fine Arts program. Planning for a graduate program began in the early 70's and in 1976 Senate designated Fine Arts as one of the university's strengths. The university is about to make further commitments to renovate the Fine Arts building and to include a facility for photography. As well, all students in the program have either received internal bursary or scholarship support or hold positions as teaching assistants.

The Committee believes that this new graduate program is, therefore, consistent with the aims, objectives and existing strengths of the University of Windsor. It has been included in the institution's five-year graduate plans.

5. FUNDING

The Committee, therefore, recommends to Council that:

the master's program in Visual Arts at the University of Windsor be recommended by Council as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

May 10, 1984

Appendix B

ONTARIO COUNCIL ON UNIVERSITY AFFAIRS ACADEMIC ADVISORY COMMITTEE

Master's Program in Industrial Relations (M.I.R.), Queen's University —
New Graduate Program considered for Formula Funding

On December 21, 1983, Queen's University requested that Council consider a proposal for funding approval of its new graduate program in Industrial Relations. Council then referred the proposal to this Committee for advice.

The program was reviewed in light of Council's four funding criteria for new graduate programs, and the question of institutional appropriateness was also addressed. The Committee's findings are summarized below.

1. ACADEMIC APPRAISAL

The Council of Ontario Universities (COU) has certified that the program has passed a rigorous academic appraisal and at the time of appraisal did not require any improvements.

2. NEED

In assessing the need for the program, the Committee reviewed a survey conducted in 1979-80, *Professionalism in the Canadian P/IR Function* (Queen's Industrial Relations Centre, 1980), which was supported by the Government of Canada's Department of Labour. Some 600 personnel and industrial relations practitioners across Canada were surveyed. The major finding of the study was the indication that the current practitioners felt underqualified for the tasks which they had to perform. The Committee is convinced that because of the following factors there is a societal need for graduates of a master's program in industrial relations:

- a) the growing importance of industrial relations and human resource management in Canada;
- b) (the) upgrading of this function in private and public organizations;
- c) great expansion in (the) scope and complexity of the subject matter dealt with by people in the industrial relations area;
- d) dramatic increase in the range of employment situations involved in, and the coverage of, collective bargaining;
- e) emerging recognition of the importance of human resource planning and utilization as a key determinant of organizational effectiveness and economic growth;
- f) impending large number of retirements among individuals currently occupying professional industrial relations positions, and;
- g) recognition that this emphasis on human resources is likely to strengthen during the next decade due to significant demographic, technologic and other related changes, such as the restructuring of the labour force, the coming shortage of youth, the bunching of workers in the 35-44 year age group, the growing number of older workers, the issue of retirement, and the continuous expansion of female employment.¹

The Committee is satisfied that these factors will produce a continuing demand for advanced-level industrial relations specialists in teaching, research and policy-making areas.

Student demand for the program is evidenced by the fact that there were 37 qualified applicants and 71 applicants in total for the 1983-84 academic year.

The Committee is, therefore, satisfied that there is a need, both provincial and national, for graduates of this program.

1. *Request for Formula Support for the Master's Program in Industrial Relations (M.I.R.) at Queen's University*, Queen's University, 1983, pp.5-6.

3. UNIQUENESS

In Ontario, there is only one other master's program in Industrial Relations. This program (at the University of Toronto) is a two-year, all-course program. The major areas of focus are: unions and collective bargaining; labour markets and human resource policy; and personnel and organizational behaviour. The Queen's program on the other hand is a one-year program, with required course-work and a major research essay.

The academic focus of the program at Queen's is on labour law, labour economics and the management of human resources. The one-year program allows current industrial relations practitioners to arrange a one-year leave of absence in order to take the program. Some individuals have already made such arrangements and are enrolled in the program.

The Committee is satisfied that the Queen's program is distinctive and also that there is a need for a second program in this field. The Toronto program had 19 students enrolled in 1982-83 and received 125 applications. Queen's plans to achieve a steady-state enrolment of 30 students.

4. AIMS, OBJECTIVES AND EXISTING STRENGTHS

This is a multi-disciplinary program involving the Department of Economics, the School of Business and the Faculty of Law, as well as the forty-four year old Industrial Relations Centre. Queen's enjoys an international reputation in Industrial Relations research. This program builds upon the institution's established strengths in industrial relations and draws upon the resources of several other strong academic units. As well, Queen's has built up over the years Canada's largest specialized collection of industrial relations materials.

The Committee believes that this new graduate program in industrial relations is consistent with the aims, objectives and existing strengths of the institution. It has been included in the institution's five-year graduate plans.

5. FUNDING

The Committee, therefore, recommends to Council that:

the master's program in Industrial Relations at Queen's University be recommended by Council as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

May 10, 1984

84-III Government Support of the University System in 1985-86

The recommendations in this Memorandum for Government funding of the Ontario university system in 1985-86 are estimated to be the minimum necessary to allow the institutions to maintain the level of service provided in 1984-85. Council's recommendations covering its basic funding objectives do not include the amount (or any portion of the amount) that would be required to recoup the cumulative shortfall in funding during recent years, and are based solely on 1984-85 levels of funding and service. Council feels that there should not be any further erosion of the level of service in 1985-86 and that the funding increase in 1985-86 should be as recommended herein in order to ensure that this will be the case.

Government Support in Perspective

During the period in which Council's funding advice has not been accepted (1978-79 to 1984-85), the universities' share of total Government budgetary expenditures (excluding debt servicing) will have declined by about 16%, while university enrolment is expected to increase by about 18%. If the universities' share of total Government budgetary expenditures (excluding debt servicing) had been maintained at the 1977-78 level, the last year Council's funding advice was accepted, the universities would have received an additional \$190 million in operating grants in 1984-85 alone.

In Advisory Memorandum 83-IX, Council estimated that Government support of the Ontario university system would fall \$9.0 million short of meeting Council's basic funding objectives for 1984-85 and \$21.7 million short of Council's recommendation for total operating support. Council has recalculated the cost of its basic funding objectives using current estimates of inflation and enrolment change and the actual revenue available for 1984-85. Incorporated in these recalculations is: i) an increase in the estimated increase in enrolment from 2.8% to 3.1%; ii) an increase of \$4.4 million in estimated formula fee revenue; iii) an increase of \$4.7 million in estimated other fee revenue; and iv) an increase of \$1.5 million in estimated other revenue. Council now estimates that Government support will be about \$1.5 million short of the university system's basic funding requirements in 1984-85¹. In addition, Government did not accept Council's advice to provide \$12 million for additional equipment and library acquisitions. As a result, the estimated total operating revenue available to the university system in 1984-85 falls \$13.5 million short of Council's revised total recommendation for operating support.

Calculation of Funding Requirements for 1985-86

Having placed, in the preceding section, the existing level of government support in perspective, Council now proceeds to outline its calculations of the requirements for 1985-86.

a) Basic Funding Objectives for 1985-86

Council continues to believe that the basic funding objectives used in the past should be met in 1985-86. These objectives are: (1) to offset inflationary trends, (2) to maintain levels of service, and (3) to adjust for predicted enrolment change.

b) Cost of Basic Funding Objectives for 1985-86

The method for costing Council's basic funding objectives for 1985-86 and the factors used to calculate the funds required, both of which are similar to those used in previous years, are outlined below. The results are documented in Table I.

1. In accordance with the Minister's acceptance of OCUA recommendation 79-12, revenue received from additional optional fees is not taken into consideration in this memorandum. See Appendix A for a description of the shortfall calculation.

Table I

The Cost of the Basic Funding Objectives for 1985-86

	1	2	3	4	5	6	7
	(\$ Million)						
	1984-95 Base	Inflationary Trend Costs	Service Level Costs	Efficiency/ Rationalization	Predicted Enrolment Change	Stabilization Factor	Cost of Basic Objectives
Expenditures							
Salaries and Fringe	1,234.0	75.3	18.3	0.0	19.9	(9.9)	1,337.6
Benefits							
Non-Salary	295.0	22.4	0.0	0.0	4.8	(2.4)	319.8
TOTAL	<u>1,529.0</u>	<u>97.7</u>	<u>18.3</u>	<u>0.0</u>	<u>24.7</u>	<u>(12.3)</u>	<u>1,657.4</u>

Notes:

1. Percentage change factors for each column of the table are as follows:

	Salaries and Fringe Benefits	Non-Salary
Column 2:	+ 6.1%	+ 7.6%
Column 3:	+ 1.4%	0.0%
Column 4:	- 0.0%	- 0.0%
Column 5:	+ 1.5%	+ 1.5%
Column 6:	- 50.0% of Column	- 50.0% of Column 5.

2. These factors, except for column 6, are applied to the cumulative total of the previous columns.

i) *The 1984-85 Base (Column 1)*

Council's estimate of the financial requirements of the Ontario university system for 1985-86 is calculated by escalating the universities' expenditures in 1984-85 by Council's estimate of the increase in the costs of maintaining the same level of service. In calculating the 1984-85 expenditure base, it is assumed that expenditures in 1984-85 are equal to estimated revenues. As a result, the base does not incorporate the 1984-85 funding shortfall of \$1.5 million identified in Appendix A.

On this basis, Council estimates that the 1984-85 base of operating revenue and expenditures of all institutions (the fifteen provincially-assisted universities, the affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College) will be \$1,529.0 million. The 1984-85 base expenditures are apportioned according to their corresponding share in the universities' budgets: 80.7% for salaries and fringe benefits and 19.3% for non-salary items.

ii) *Increases in Costs due to Inflation (Column 2)*

Council has reviewed forecasts made by several competent authorities of the increase in the Consumer Price Index (CPI) for 1985-86. These projections ranged from 4.1% to 7.5%. Council has used the average of these projections, 6.2%, as its estimate of the increase in CPI.

Normally, Council has used its estimate of the increase in CPI as its salary inflation factor. In revising its funding advice for 1983-84 and 1984-85, in order to reflect the effects of the *Inflation Restraint Act, 1982* (Advisory Memorandum 82-IIIA) and the *Public Sector Prices and Compensation Review Act, 1983* (Advisory Memorandum 83-IVA) on university system costs, Council adjusted its advice to take into account differences between the universities' fiscal year and salary contract periods. For 1983-84, it was estimated that, on average, the 5% wage scale guideline imposed under the *Inflation Restraint Act, 1982* would be in effect for 10.5 months of the 1983-84 university fiscal year. The remaining 1.5 months were covered by existing 1982-83 salary contracts which overlapped into the 1983-84 fiscal year. For the 1984-85 fiscal year, salary contracts for the first 1.5 months were limited by the *Inflation Restraint Act, 1982* to 5%, and salary contracts for the remaining 10.5 months were adjusted to meet the Treasurer's guideline of up to 5% on average compensation under the *Public Sector Prices and Compensation Review Act, 1983*.

For the 1985-86 fiscal year, to be consistent with its 1983-84 and 1984-85 funding advice, Council again takes into account differences between the universities' fiscal year and salary contract period. Hence, Council's salary inflation factor is calculated by: (1) applying the 5% wage scale guideline for 1.5 months of the 1985-86 fiscal year, and (2) applying the 6.2% estimate of the increase in CPI for the remaining 10.5 months of the 1985-86 fiscal year. The resulting factor of 6.1% is applied to the salaries and benefits portion of the base, resulting in an estimated \$75.3 million in additional salaries and benefits.²

For several years, increases in the prices of non-salary items purchased by universities have exceeded increases in CPI. The annual increase in the Ontario University Non-Salary Price Index (OUNSPI) averaged 22.2% higher than the annual increase in CPI during the period 1976-77 to 1982-83. Council's 1985-86 non-salary inflation factor is derived by increasing the projected 6.2% increase in CPI by the average differential between the increase in OUNSPI and CPI for the period cited. This yields a value of 7.6% which is applied to the base, resulting in an estimated \$22.4 million in non-salary inflation costs.

² This increase for salaries and benefits is estimated to be the amount required to maintain base salaries at 1984-85 levels. The increase contains no "catch-up" component.

(iii) *Increase in Costs of Maintaining Existing Service Levels (Column 3)*

In its 1985-86 funding advice Council again identifies, and makes provision for, the costs of maintaining existing levels of service which are not related to inflation. In recent years, Council has made provision for only one component of these additional costs in its cost of basic objectives, the net cost of providing for progress-through-the-ranks (PTR) for faculty and non-academic staff. This net cost arises from the uneven age distribution of the faculty and non-faculty complement, where the number of people retiring (with higher salaries) and being replaced by younger people (with lower salaries), is not sufficient to provide the total funds required for the normal progress of continuing faculty and staff.

Prior to 1980-81, Council also included under its provision for maintaining existing service level costs an allowance for furniture and equipment replacement. Council has subsequently removed this non-salary service level costs factor from its funding model and has made a separate provision for the restoration of equipment and library collections. Council feels that it must continue to recommend a level of support which will, in time, lead to the restoration of the levels of service in non-salary expenditure areas to an appropriate level, and cannot recommend funds sufficient only to maintain the 1984-85 level.

Consequently, Council's 1985-86 provision for meeting the costs of maintaining levels of service is an estimate of the net cost of providing for PTR for faculty and staff. The faculty manpower flow model developed by the Council of Ontario Universities (COU) predicts that, for the existing age distribution of faculty, under normal salary conditions (i.e., without the wage restraint program), the net costs of providing for PTR in 1985-86 would be 1.6% of salaries and benefits. However, similar to the salary scale calculations outlined in (ii) above, this estimate applies only to the last 10.5 months of the 1985-86 fiscal year.

The PTR costs in the first 1.5 months of the 1985-86 fiscal year are affected by the guidelines accompanying the *Public Sector Prices and Compensation Review Act, 1983*, which do not provide for additional funding of PTR costs during the 1984-85 salary contract year. The 5% compensation increase criterion mentioned in (ii) above includes the cost of providing merit increases and increments. Therefore, for the first 1.5 months of the 1985-86 fiscal year the estimated net cost of PTR (above that which is not included in the 5% salary scale provision found in Column 2 of Table I) is 0.0% of faculty and staff salaries and wages.

Applying the 0.0% PTR factor for 1.5 months and the 1.6% PTR factor for the remaining 10.5 months of the 1985-86 fiscal year results in an estimated net cost increase of 1.4% in 1985-86 for career progress of faculty and staff. This results in an additional \$18.3 million in PTR costs.

(iv) *Cost Reduction due to Efficiency and Rationalization (Column 4)*

For several years, Council has reduced its total funding estimate by a factor varying between 0.5% and 1.5% in the belief that institutions can reduce expenditures to some extent, while maintaining service through improved efficiency and rationalization of their program offerings. In Advisory Memorandum 83-IV, Council recommended that a factor of -0.5% be used in calculating the funding requirements for 1984-85. In light of the *Public Sector Prices and Compensation Review Act, 1983*, Council recalculated the funding requirements for 1984-85 in Advisory Memorandum 83-IVA, reducing its efficiency/rationalization factor to 0.0%. In choosing to retain this factor in its revised funding advice Council indicated that it:

... remains committed to the belief that the university system must continue to search for ways to increase efficiency. However, Council believes that this goal will be accomplished for 1984-85 by the *Public Sector Prices and Compensation Review Act, 1983*.

Council has again assessed retaining this factor in its funding model for 1985-86. In this assessment, Council examined carefully the past arguments of COU and others that any cost reductions that can be achieved by increasing efficiency and rationalization must be used to offset the backlog of major problems arising from prolonged underfunding and that the effects of the efficiency/rationalization factor are compounded annually at a greater rate than Council intended by ignoring the effects of previous years' shortfalls in funding on the base used in Council's funding model. Council has found these arguments persuasive in a period of continued underfunding. While Council still believes that the university system must continue to search for ways to increase efficiency, it believes that for 1985-86 it is appropriate to maintain the efficiency/ rationalization factor at the 0.0% level used in 1984-85.

(v) *Projected Increase in Enrolment (Column 5)*

In 1983-84, total university enrolment increased by about 3.4%. COU's Committee on Enrolment Statistics and Projections estimates a further 2.7% to 3.5% increase in 1984-85. Council has considered this forecast together with: (1) the most recent data on the number of visa and domestic student applications and applicants for first year admission in the Fall of 1984; (2) trends in the size of the cohort (18-24 years of age) from which universities will draw the majority of students; (3) recent trends in participation rates; (4) recent data on retention rates and the consequent potential enrolment increases in upper years in 1985-86; and (5) information provided by COU on institutional enrolment capacity.

On the basis of this information, Council estimates that enrolment in the university system in Ontario will increase by 1.5% in 1985-86 over 1984-85. When applied to Council's funding model (Table I) this yields an additional \$24.7 million.

(vi) *Funding Stabilization Factor (Column 6)*

In order to dampen the effect of enrolment change in any one year on the level of funding, Council, for a number of years, has discounted by 50% the projected growth or decline in enrolment used in its funding advice. This discounting factor was first introduced by Council for funding in 1976-77 under the title Excess Capacity Factor. At that time Council stated that it believed that: "... currently predicted undergraduate enrolment increases can be accommodated within the university system at a marginal cost that does not exceed 50 per cent of average cost".³ As part of its rationale for introducing a 50% discount factor in the operating grants allocative formula in 1977-78, Council stated that:

... Council's advice on a formula allocation mechanism should be consistent with the advice it offers on the global funding of the university system. If Council's advice on global funding incorporates a discount on the funding of enrolment growth, the appropriate allocative mechanism is one that achieves a basically similar reduction in the credit accorded to the additional BIU's that accrue to institutions by virtue of enrolment growth. Such symmetry is essential if the funding of enrolment growth is to be kept distinct from the funding that enables the university system to cope with inflation and the real costs of maintaining existing levels of service...⁴

In December 1983 the Ministry of Colleges and Universities introduced a new operating grants formula where, for 1984-85 operating grants, 2/3 of these grants were allocated according to the existing formula (50% discount at the undergraduate and masters level and 66.6% discount at the doctoral level) and 1/3 according to a new 75% discounted formula. In its brief to Council on operating grant requirements

Ontario Council on University Affairs, *Second Annual Report, 1975-76*, A.M. 75-VI, pp. 45-46.

It should be noted that the graduate freeze was in place at this time and that funding change was based solely on undergraduate enrolment change.

Ontario Council on University Affairs, *Third Annual Report, 1976-77*, A.M. 76-VII, p. 51.

for 1985-86, COU altered its discount on enrolment change in its global funding model to 75%, anticipating the phasing-in of this new operating grants formula.

Council notes, however, that the new formula was announced for one year only and that the Commission to Review the Future Development of Universities of Ontario is instructed to address the issue of the appropriate operating grants allocative formula. Two factors have led Council to leave unchanged the enrolment discounting in its funding model. The first factor is that, since the future of the allocative formula is uncertain at this time and the degree of discounting to be present in 1985-86 is unknown, it would be premature to change the discount on enrolment in its funding model in order to maintain symmetry with an anticipated allocative formula. The second factor is that it would be appropriate to review the principle of symmetry between the global funding discount and the institutional allocative mechanism when the new allocative formula is known. The type of allocative mechanism introduced may not appropriately allow for symmetry with the global funding model. Council, therefore, continues to use an enrolment/stabilization factor of 50% in its 1985-86 funding model.

At its Spring hearings with Council, COU provided information indicating that the university system is very near capacity for undergraduate enrolment. Council's own calculations indicate that it is unlikely that the demand by new entrants will increase beyond the present enrolment capacity of the universities. However, if the demand by new entrants were to increase dramatically, Government would have to recognize that the marginal cost of these students would far exceed the average cost of all students, and a substantial increase in funding, for both operating and capital purposes, would need to be provided for the universities to be able to accommodate these students.

Given the level of enrolment change predicted in Column 5 (+1.5%) for 1985-86, Council continues to use a 50% enrolment discount factor, subtracting \$12.3 million from the funding model.

(vii) Total Cost of Basic Funding Objectives (Column 7)

The total cost of basic funding objectives in Column 7 of Table I is the sum of the first six columns in the table. The resulting total of \$1,657.4 million is Council's estimate of the total cost of basic funding objectives for 1985-86 - an 8.4% increase over the 1984-85 estimated expenditure base.

Estimated Government Grants Required to meet the Basic Funding Objectives

Council estimates that the other income accruing to the university system in 1985-86, in addition to Government grants, will be:

- (1) from other sources, \$53.6 million, the same as the amount projected for 1984-85;
- (2) from fees other than tuition fees, \$17.8 million, the 1984-85 projection adjusted for the projected 1.5% increase in enrolment in 1985-86; and
- (3) from formula tuition fees, \$282.4 million, at 1984-85 rates including an adjustment for the predicted 1.5% increase in enrolment in 1985-86.

Consistent with Council's advice on formula fee rates in Advisory Memorandum 79-IV, it is assumed that formula fee rates will increase by the same percentage as operating grants. Therefore, formula fee rates should be increased by 8.5% in 1985-86, yielding an additional \$23.9 million for a total of \$306.3 million in formula fee revenue in 1985-86.

Table II

**Cost to Government of Meeting Council's Basic
Funding Objectives for 1985-86: Provincially
Assisted Universities, Affiliated Colleges, Ryerson,
OISE, OCA and Dominican College**
(\$ million)

1. Cost of Basic Funding Objectives	1,657.4	
2. Other Revenue	(53.6)	
3. Other Fee Revenue	(17.8)	
4. Total Formula Fees and Government Operating Grants required to meet Council's Basic Funding Objectives	<u>1,586.0</u>	
5. Formula Fee Revenue at 1984-85 rates and the predicted 1985-86 level of enrolment	282.4	
6. 1984-85 Operating Grants	<u>1,179.7</u>	
7. 1984-85 Operating Grants and enrolment-adjusted Formula Fee Revenue (line 5 + line 6)	<u>1,462.1</u>	
8. Percentage increase in Operating Grants and Formula Fee Revenue $\frac{\text{line 4} - \text{line 7}}{\text{line 7}} \times 100$		8.5%
9. Additional Formula Fee Revenue generated by an 8.5% increase in formula fee rates	23.9	
10. Total Formula Fee Revenue (line 5 + line 9)	306.3	
11. Cost to Government of Basic Funding Objectives (line 6 increased by 8.5%)	<u>1,279.7</u>	

As shown in Table II, Council estimates that of the total \$1,657.4 million required, \$1,279.7 million must be made available as Government operating grants to meet the costs of Council's basic funding objectives in 1985-86. This is an 8.5% increase over the amount provided for 1984-85.

Accordingly, Council recommends to the Minister and Lieutenant-Governor in Council:

OCUA 84-5

GOVERNMENT OPERATING GRANTS FOR 1985-86 TO MEET THE COSTS OF COUNCIL'S BASIC OBJECTIVES IN FUNDING PROVINCIALY-ASSISTED UNIVERSITIES AND THEIR AFFILIATED COLLEGES, RYERSON POLYTECHNICAL INSTITUTE, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION, THE ONTARIO COLLEGE OF ART AND DOMINICAN COLLEGE

THAT \$1,279.7 million in operating grants be made available in 1985-86 to the provincially-assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.

OCUA 84-6

**FORMULA FEE RATES FOR 1985-86 TO MEET THE COSTS OF COUNCIL'S
BASIC OBJECTIVES**

THAT formula fee rates for 1985-86 be increased by the same percentage as operating grants, namely 8.5%, to provide \$306.3 million in formula fee revenue to the provincially assisted universities and their affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College, and that this increase in formula fee rates be fully reflected in the Ontario Student Assistance Program.

Estimated Costs of the Bar Admission Course

As in previous years, Council's estimate of the costs of basic funding objectives does not include the cost of the grant-in-aid for the Bar Admission Course of the Law Society of Upper Canada. Council has consistently recommended that Government cover the cost of the grant-in-aid for the Bar Admission Course separately from its provision for Council's basic funding objectives. This recommendation has not been met. Council continues to believe that such a provision is necessary and desirable.

Accordingly, Council *recommends to the Minister and Lieutenant-Governor in Council:*

OCUA 84-7

FUNDING FOR 1985-86 FOR THE BAR ADMISSION COURSE

THAT \$0.78 million be provided in 1985-86 for a grant-in-aid for the Bar Admission Course.

Equipment and Library Needs

For 1984-85, Council recommended that \$12.0 million be provided in recognition of the special need for equipment and library acquisitions. This recommendation was not accepted by the Minister. Council remains concerned about the level of funding available for the purchase of equipment and library resources, particularly in the areas of instructional equipment and library acquisitions.

COU recommended to Council in its brief on operating grants requirements for 1985-86 that an additional \$40.0 million be made available for funding for equipment replacement in order to maintain existing service levels. This recommendation was based on a 12-year replacement cycle for equipment stocks valued at approximately \$1 billion. Council has examined this recommendation closely and undertaken some further analysis of the issue of equipment replacement by assessing replacement cycles used in the private sector, implicit in the Income Tax Act and identified in specific university studies. It has become clear that this issue is complex and requires further study before Council can accept or reject the methodology suggested by COU.

However, in its investigation of this matter it has become evident that Council's recommendation for 1984-85, of \$12 million for equipment and library resources, is inadequate. Such a level of funding implies an approximately 19-year replacement cycle for just the equipment portion of this recommendation. This does not take into account the funds necessary for the purchase of library resources. Hence, Council's continuing concern about the need to work towards restoring equipment and library collections has led it to recommend an increase to \$20.0 million in additional funds for 1985-86. In making this recommendation, Council must make it clear that the provision of this level of funding will not restore equipment inventories and library collections to adequate levels and, according to COU's methodology, may even be inadequate to maintain the existing stock of equipment. Council does feel that this recommendation will relieve some of the pressures experienced in this area of expenditures in recent years. Council plans to look into this subject in more detail in the coming year.

Accordingly, Council recommends to the Minister and Lieutenant-Governor in Council:

OCUA 84-8

EQUIPMENT AND LIBRARY FUNDING FOR 1985-86

THAT, in addition to the amounts recommended in 84-5, 84-6 and 84-7, \$20.0 million be provided in 1985-86 in recognition of the special need for equipment and library acquisitions.

Capital Assistance

On June 5, 1984, the Minister of Colleges and Universities announced that \$10.5 million will be provided in capital grants to Ontario universities for 1984-85. Only about \$5.6 million of the above amount is allocated toward projects covered by Council's 1984-85 capital funding recommendation of \$27.6 million for new major repairs, renovations and replacement projects.

Council continues to use a level of 1% of the value of the space inventory in the university system as the minimum necessary annually for major repairs, renovations and replacement projects. For 1985-86, the value of this space inventory has been adjusted for inflation by increasing last year's recommendation for capital assistance by 6.8%, the most recent increase in the Non-Residential Building Construction Price Index (from 1982 to 1983).

Accordingly, Council recommends to the Minister and Lieutenant-Governor in Council:

OCUA 84-9

LEVEL OF SUPPORT FOR MAJOR REPAIRS, RENOVATIONS AND REPLACEMENT PROJECTS IN 1985-86

THAT funds for capital assistance in 1985-86 be \$29.5 million for major repairs, renovations and replacement projects, plus any amount required for carry-overs and essential new construction.

Conclusion

While funding was increased for 1984-85, the amount fell short of that recommended by Council as being required for operating support. The shortfall between university system revenues and needs thus continues to accumulate. Adequate funding must be provided if Ontario is to have a university system capable of adequately meeting the five goals enunciated by Council in *The Ontario University System: A Statement of Issues* and endorsed by Government. These goals are: (1) to develop a more educated populace; (2) to educate and train people for the professions; (3) to provide study at the highest intellectual level; (4) to conduct basic and applied research including development and evaluation; and (5) to provide service to the community. It is Council's conviction that the funds recommended in this memorandum are the minimum required to ensure that quality does not decline further.

M. Paikin
Chairman
June 15, 1984

REVISED CALCULATION OF SHORTFALL IN FUNDING FOR 1984-85

The estimate of the basic funding requirements for 1984-85 contained in Advisory Memorandum 83-IX have been revised to reflect up-dated estimates of CPI and enrolment change. The inflation factors for salary and non-salary items have remained unchanged. Enrolment increase projections have been changed from 2.8% to 3.1%. As a result, the revised estimate of the cost of basic funding objectives in 1984-85 is \$1,526.5 million.

The estimate of total funds available to the Ontario university system has also been revised to reflect up-dated information on government grants and fees. Council now estimates that total fee income (formula tuition and other fees) will be \$295.7 million in 1984-85. Government operating grants will total \$1,175.7 million (not including those funds provided for operating expenditures that are not part of the cost of basic objectives: \$0.727 million for the grant-in-aid to the Bar Admission Course; and \$4.0 million provided for additional incremental costs of bilingualism). Other revenue is estimated to be \$53.6 million in 1984-85. Thus, the total estimated revenue available to the system is \$1,525.0 million.

The revised estimate of the shortfall in revenue compared to the expenditures required to meet the basic funding objectives is \$1.5 million (\$1,526.5 - \$1,525.0 million).

Appendix B

THE 1984-85 BASE

This appendix outlines the derivation of the 1984-85 base used in Council's funding exercise. For the purpose of this exercise, Council assumes that system expenditures in 1984-85 will equal total revenue, and estimates total operating revenue at \$1,529.0 million. Table A - 1 provides details of 1984-85 revenues by type.

Formula and Non-Formula Grants

The figure \$1,179.7 million found in Table A - 1 is derived by subtracting \$5.1 million in line-item grants and \$0.727 million to be used for the grant-in-aid to the Bar Admission Course from the \$1,185.5 million in operating grants announced by the Minister on December 15, 1983 and rounding to the nearest decimal point. Unlike the shortfall calculation found in Appendix A, the figure used includes the additional \$4.0 million made available for bilingualism costs. While not being part of Council's cost of basic objectives for 1984-85, the expenditures covered by this grant are intended to become part of the ongoing costs of basic objectives in subsequent years and thus have been included in the 1984-85 base for calculating the 1985-86 funding requirements.

Formula and Other Fees

Council's funding base includes only that fee revenue which is derived from formula fees and other fees. Any revenue accruing to the universities as a result of the application of their discretionary tuition fee power has been excluded from the base. The 1984-85 formula fee revenue is estimated to equal \$278.2 million. This is calculated by applying the 1984-85 formula fee rates to 1983-84 enrolment and adjusting for the predicted 3.1% increase in enrolment for 1984-85. This figure also includes an estimate of supplementary foreign fee revenue and third-term graduate formula fees. The other fee revenue estimate of \$17.5 million was based on the universities' budget reports for 1983-84.

Other Revenue

Other revenue includes Ministry line-item grants of \$5.1 million and an estimated \$48.5 million in other sources of income. The latter amount was derived from the universities' reports on budgeted revenue for 1984-85.

Table A - 1

University System Revenue
1984-85 Estimate
(\$ millions)

Formula and Non-Formula Grants*	1,179.7
Formula Fees	278.2
Other Fees	17.5
Other Revenue**	53.6
Total	1,529.0

*Excludes Ministry line-item grants and Bar Admission Course grant-in-aid.

**Includes Ministry line-item grants.

84-IV The Ontario Graduate Scholarship Program, 1985-86

In this memorandum Council renders its advice for 1985-86 on the value of the Ontario Graduate Scholarship (OGS) stipend, the number of stipends to be awarded and associated matters.

Scholarship Eligibility

On July 12, 1984, the Minister responded to Council's Advisory Memorandum 83-III and accepted Recommendation 83-4:

THAT, the Ontario Graduate Scholarships be open equally to Canadian citizens and to persons who hold landed immigrant status as of the official annual closing date for applications, it being understood that this provision would apply similarly to institutional nominees.

This new scholarship eligibility regulation will come into effect with the 1985-86 competition.

Since it first began submitting recommendations with respect to the OGS competition, Council has been urging Government to alter the rules so as to treat all permanent residents in a more equitable manner, and so abolish the requirement that they be residents for at least 12 months prior to the deadline for submission of applications. Council, therefore, applauds the Minister's decision to amend the regulations in the manner suggested by Council.

Scholarship Stipend

In reply to Advisory Memorandum 83-III, the Minister announced that the value of the OGS stipend for 1984-85 would increase from the 1983-84 level of \$2,195 per term to a level of \$2,305 per term. This represents a 5% increase in the value of the award.

In Table I, Council presents a comparison of the values of the OGS, NSERC and SSHRC awards since the inception of the OGS program.

In the year that Council first submitted advice on the value of the OGS (1974-75), the OGS stipend was approximately 76% of the value of a Natural Sciences and Engineering Research Council (NSERC) award and 85% of the value of a Social Sciences and Engineering Research Council (SSHRC) award. By contrast, for 1984-85, the OGS stipend is 59.6% of the value of an NSERC award and 61.0% of the value of a SSHRC award.

Advisory Memorandum 83-III contained an outline of the effects that inflation, as measured by the Consumer Price Index, has had on the real dollar values of the OGS, NSERC and SSHRC awards. Table II updates this situation. It incorporates the actual rate of inflation for 1983-84 and an estimated rate of inflation for 1984-85. The table shows that given the 5% increase in the value of the OGS stipend there has been a decrease in the real value of the award over its 1983-84 value. The 1984-85 value of the award in 1974-75 constant dollars is 12.6% below the actual 1974-75 value. By comparison, the real dollar values of the NSERC and SSHRC awards for 1984-85 are, respectively, 10.8% and 21.9% higher than their 1974-75 values.

Council views with great concern the continuing deterioration in the OGS compared to the NSERC and SSHRC awards. In 1974-75 the OGS stipend trailed the NSERC and SSHRC awards by \$1,100 and \$600 respectively (see Table I). In 1984-85, the OGS stipend falls short of the two federal awards by \$4,685 and \$4,425, respectively (see Table I).

Table I
Comparative Scholarship Stipends

	OGS	NSERC PGS Stipends ¹	SSHRC Stipends (1st & 2nd PhD)
1974-75	\$3,400 ²	\$ 5,000	\$ 5,000
1976-77	\$3,750 ²	\$ 5,520	\$ 5,500
1977-78	\$4,350	\$ 6,000	\$ 6,000
1978-79	\$4,500	\$ 6,360	\$ 6,360
1979-80	\$4,800	\$ 7,000	\$ 6,750
1980-81	\$4,890	\$ 8,500	\$ 7,860
1981-82	\$5,700	\$ 9,350	\$ 8,760
1982-83	\$6,270	\$10,500	\$ 9,720
1983-84	\$6,585	\$11,100	\$10,800
1984-85	\$6,915	\$11,600	\$11,340
% increase 1984-85 over 1974-75	103.4	157.8	183.5

1. NSERC post-graduate scholarship (PGS) values are those that were in effect in the Fall of each academic year.

2. Adjusted to take account of the integration of fees into the stipend in 1976-77.

Table II
Comparative Scholarship Stipends
(In Constant Dollars 1974-75 = 100.0)

	OGS	NSERC PGS Stipends	SSHRC Stipends (1st & 2nd PhD)
1974-75	\$3,400	\$4,500	\$4,000
1975-76	\$3,094	\$4,550	\$4,550
1976-77	\$3,191	\$4,698	\$4,681
1977-78	\$3,409	\$4,702	\$4,702
1978-79	\$3,233	\$4,569	\$4,569
1979-80	\$3,158	\$4,605	\$4,441
1980-81	\$2,893	\$5,030	\$4,651
1981-82	\$3,010	\$4,937	\$4,625
1982-83	\$3,026	\$5,068	\$4,691
1983-84	\$3,007	\$5,068	\$4,932
1984-85	\$2,973	\$4,987	\$4,875
% change 1984-85 1974-75	-12.6	+10.8	+21.9

In A.M. 80-I, Council cautioned that:

If the OGS program is to function effectively as a scholarship program (which has always been, and continues to be, Council's position), it is clear that the value of the stipend must be significantly increased. Were the stipend to remain depressed, the program would lose its original purpose and instead become a student assistance program.¹

Council went on to speculate whether:

... current significant expenditures of time and effort on the part of the large number of individuals associated with the OGS selection process is worth the effort. Clearly, a higher stipend is imperative if the OGS is to be an effective scholarship program.²

Since 1980, Council has continued to document annually the deterioration in the value of the OGS stipend. While it has been understood, since the inception of the program, that Government envisaged scholarship-holders supplementing their awards with "teaching or research assistantships"³, Government must also recognize that the large number of successful first-round applicants who decline to accept their awards undercuts considerably Government's aim of encouraging "excellence in graduate studies"⁴. According to the annual reports of the Selection Board Chairmen, it is clear that for at least the past five years, between 40% and 50% of successful first-round applicants have not accepted their awards. This has led to the establishment of reversion lists or a very large number of first-round awards being allocated in order to ensure that all the awards are given out each year. Successive Selection Board chairmen have concluded in their annual reports that the major reason for this happening is that these applicants have received alternate scholarships of higher value. Under the current OGS regulations, OGS award-holders cannot hold more than \$2,500 in other awards concurrently. Council intends to review carefully this \$2,500 limit.

As Council has emphasized consistently over the years, the OGS is becoming less a prestigious academic award and more a secondary form of student assistance. If Ontario is to retain some of its best scholars within the province, then the OGS program must be very carefully examined.

It is now ten years since the first OGS stipends were awarded. Council believes that this is an appropriate time to undertake a review of the purposes and effectiveness of this awards program. Therefore, in the coming months, Council intends to consult with chairmen of the OGS Selection Board, and with representatives of the Ontario Council on Graduate Studies and the Ontario Graduate Association. It would be premature for Council to recommend any long-term restructuring of the program until it has met with these representatives. This will also allow an opportunity for Council to assess the findings of the Commission on the Future Development of the Universities of Ontario.

Pending the outcome of Council's special review of the OGS program, Council's recommendation on the value of the stipend is being submitted in the usual way. Therefore, the minimum increase in the value of the stipend should not be less than Council's projected inflation factor for 1985-86, which is 5.7%. Therefore, the stipend should be increased to \$7,309, or \$2,436 per term.⁵

1. Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p. 111.

2. *Ibid*, p. 111.

3. Letter from the Hon. James C. Auld to Dr. Stefan Dupre, October 7, 1975.

4. Ministry of Colleges and Universities, *Ontario Graduate Scholarship Program*, 1984-85, brochure.

5. Council has revised its estimate of inflation for 1985-86 downward to 5.7% from its June, 1984 estimate of 6.2% found in Advisory Memorandum 82-III.

Accordingly, Council recommends to the Minister:

OCUA 84-10

ONTARIO GRADUATE SCHOLARSHIP STIPENDS 1985-86

THAT, in 1985-86, Ontario Graduate Scholarships carry a minimum stipend value of \$7,309, or \$2,436 per term.

Number of Awards

Table III provides a revised summary, by category, on the number and distribution of OGS awards.

Table III

Number of OGS Awards (by category)

	Open	Institutional	Visa/LI	Total
1974-75	850	150	(Quota) ¹	1,000
1975-76	850	150	(Quota) ¹	1,000
1976-77	850	150	(Quota) ¹	1,000
1977-78	850	45	50	945
1978-79	1,105	45	50	1,200
1979-80	1,095	45	60	1,200
1980-81	1,095	45	60	1,200
1981-82	910	40	50	1,000
1982-83	1,095	45	60	1,200
1983-84	1,095	45	60	1,200
1984-85	1,095	45	60	1,200

1. Up to 10% of the awards could be allocated to landed immigrants or holders of student visas.

For reasons first outlined in Advisory Memorandum 76-II, Council continues to advocate the allocation of institutional awards to those five universities not offering doctoral programs, but feels that there should be an increase in the number of awards in this category to enhance the quality of scholarship activity within these institutions.

Accordingly, Council recommends to the Minister:

OCUA 84-11

INSTITUTIONAL AWARDS TO UNIVERSITIES WITHOUT DOCTORAL PROGRAMS

THAT up to 55 scholarships (11 per university) be institutional awards in 1985-86 for those universities without doctoral programs.

OCUA 84-12

ONTARIO GRADUATE SCHOLARSHIPS TO PERSONS ON STUDENT VISAS

THAT up to 70 scholarships be reserved for persons who at the time of application are student visa-holders.

While Council continues to place a very high priority on maintaining the real value of the stipend, it must point out once again that, despite substantial increases in applications in all fields, there has been no increase in the number of awards since

1978-79. Tables V and VI provide information on the competition in all fields and types since 1978-79. The greatest application pressure continues to be in the physical, biological and applied sciences with overall increases, since 1978-79, of 41.7%, 59.4% and 104.0% respectively. These are graduate areas of vital societal need for the future of Ontario and should be supported strongly through the scholarship program. Overall, applications have risen by 45.2% since 1978-79, and the percentage of applicants supported by the program has actually fallen from 23.8% in 1978-79 to 16.4% in 1984-85.

If the funds are not available for an increase in the number of awards, then the number should be determined in the manner illustrated in Table IV of this memorandum. In view of these considerations, Council requests that, for 1985-86, the increase in funding for the Ontario Graduate Scholarship program be within the percentage range displayed in Table IV.

Accordingly, Council *recommends to the Minister*:

OCUA 84-13

NUMBER OF ONTARIO GRADUATE SCHOLARSHIP AWARDS IN 1985-86

THAT, consistent with the priority attached by Council to a 1985-86 stipend value of \$7,309, the number of Ontario Graduate Scholarships available for:

- a) open competition,
- b) institutional awards at universities not having any doctoral programs, and
- c) visa students

be scaled down as shown in Table IV so as to maintain the recommended value of the award at \$7,309.

M. Paikin
Chairman
October 19, 1984

Table IV

**Number and Composition of OGS Awards for 1985-86 under
Alternative Funding Increases**

Percent Increases in Funding for 1985-86 over 1984-85 %	Total Awards Possible at a Stipend of \$2,436 per term ¹ (No.)	Awards Available for Open Competition (No.)	Awards Available for Visa Students (No.)	Inst. Awards for Equal Dist. by Quota among Univ. with no Doctoral Programs (No.)
5.7 ²	1,200	1,095	60	45
6	1,204	1,099	60	45
7	1,215	1,109	61	45
8	1,226	1,120	61	45
9	1,238	1,131	62	45
10	1,249	1,142	62	45
11	1,260	1,152	63	45
12	1,272	1,163	64	45
13	1,283	1,169	64	50
14	1,294	1,179	65	50
15	1,306	1,191	65	50
16	1,317	1,201	66	50
17	1,328	1,212	66	50
18	1,340	1,223	67	50
19	1,351	1,233	68	50
20	1,363	1,245	68	50
21	1,374	1,255	69	50
22	1,385	1,266	69	50
23	1,400	1,275	70	55

1. Assuming that there is no change in the mix of the two-term and three-term awards.

2. The recommended stipend of \$7,309 for 1985-86 is approximately 5.7% greater than the stipend for 1984-85. Therefore, the OGS funding for 1985-86 would have to increase by approximately 5.7% to maintain the number of awards at 1,200, assuming that there is no change in the mix of two-term and three-term awards.

Table V

OGS Applications — Distribution 1978-79 to 1984-85

	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	% change 1978-79 to 1984-85
Field								
Humanities	1,307	1,338	1,376	1,410	1,396	1,505	1,552	18.7
Social Sciences	1,805	1,931	2,128	2,265	2,260	2,670	2,627	45.5
Physical Sciences	645	590	658	685	810	865	914	41.7
Biological Sciences	880	929	1,100	1,124	1,196	1,430	1,403	59.4
Applied Sciences	404	383	449	487	587	752	824	104.0
Total	5,041	5,171	5,711	5,971	6,249	7,222	7,320	45.2

SOURCE: Annual reports of the Selection Board chairmen and statistics provided by the Ministry of Colleges and Universities.

Table VI

Results of OGS Competition, 1978-79 to 1984-85

Year	Type of Competition	# of Applicants	# of Awards	% receiving awards
1978-79	Open & Instit. Visa	4,289	1,150	26.8
		752	50	6.6
Total		5,041	1,200	23.8
1979-80	Open & Instit. Visa	4,604	1,140	24.8
		567	60	10.6
Total		5,171	1,200	23.2
1980-81	Open & Instit. Visa	5,135	1,140	22.2
		576	60	10.4
Total		5,711	1,200	21.0
1981-82	Open & Instit. Visa	5,285	950	18.0
		686	50	7.3
Total		5,971	1,000	16.7
1982-83	Open & Instit. Visa	5,352	1,140	18.2
		897	60	6.7
Total		6,249	1,200	16.8
1983-84	Open & Instit. Visa	6,278	1,140	18.2
		944	60	6.4
Total		7,222	1,200	16.6
1984-85	Open & Instit. Visa	6,486	1,140	17.6
		834	60	7.2
Total		7,320	1,200	16.4

Source: Annual reports of the Selection Board chairmen and statistics provided by the Ministry of Colleges and Universities.

84-V Program Funding Procedures for Ryerson Polytechnical Institute

In Advisory Memorandum 82-XI, Council indicated that it would be discussing with Ryerson Polytechnical Institute the nature of the process which should be applied by Ryerson to the internal review of existing degree and diploma programs. In Advisory Memorandum 78-IV, Council had stipulated that: "To ensure continuing relevance to societal needs, a review of each program offering should be carried out by Ryerson at intervals of no more than seven years".¹ In 1982, Ryerson raised the question of whether the periodic review of existing programs should be as extensive as the process involving the reviews of new programs. This concern coincided with Council's belief that the intended review of the mechanism for the approval of new degree and diploma programs should be carried out as indicated in Advisory Memorandum 78-IV.²

Therefore, on April 29, 1983, Ryerson submitted to Council a draft brief to facilitate discussion of the review processes for new and existing programs. Council's Ryerson Committee met with representatives of Ryerson on May 19, 1983, and subsequently formalized its reaction to the draft in a letter dated September 29, 1983 (see Appendix "A"). The Ryerson Committee met with representatives of Ryerson on November 17, 1983 to discuss the letter of September 29, and on December 6, 1983 Ryerson officially responded to the letter and to points raised in the discussion (see Appendix "B"). Council formally responded in a letter of January 20, 1984 (see Appendix "C").

The process of consultation and discussion was completed by Council's acceptance of the final draft of the document, which was sent to Council under cover of a letter from Dr. Segal dated September 24, 1984 (see Appendix "D").

Council believes that the process of consultation with Ryerson has been a useful one for both Council and Ryerson. It has resulted in a document which is comprehensive, concise, understood and agreed upon by both parties. It modifies somewhat the procedures for the review of existing programs and new degree and diploma program proposals.

The following is a summary of the changes in the mechanism for the approval of new degree and diploma programs and in the mechanism for the periodic review of existing degree and diploma programs.

The Mechanism

The Minister's approval of Advisory Memorandum 78-IV established mechanisms for the periodic review of existing degree and diploma programs and the review of proposals for new degree and diploma programs. Certificate programs, both new and existing, were exempted from any approval mechanism for the following reasons:

The certificate programs offered by Ryerson tend to be significantly different from either diploma or degree programs in their origin, duration and in some ways, their objectives. As programs established to provide comparatively specific education and training to a clearly defined clientele, often over a comparatively short period of time, they are commonly designed to provide skills to people already launched on a career rather than to prepare students for a vocation. These distinctive characteristics, combined with the need to respond quickly to changes in demand, suggest to Council that certificate programs should be treated differently from other programs in the approval process. Council is not suggesting that the

1. Ontario Council on University Affairs, *Fifth Annual Report, 1978-79*, p. 74.

2. *Ibid.*, p. 74.

assurance of academic excellence, financial viability and societal need is any less important for certificate than for degree and diploma programs. Rather, Council is confident that these requirements will be satisfied without formal application of the approval mechanism.³

Council continues to believe that certificate programs should be funded automatically.

The mechanism for the approval of new and existing degree and diploma programs essentially consists of:

... a recommendation from Ryerson supported by Academic Council's approval of the academic quality of a program, the Board of Governor's assurance of the financial viability of the program and the Program Assessment Committee's report on the certification of societal need.⁴

The new mechanism as outlined in Appendix "D" spells out the sequence of considerations by Academic Council, the Board of Governors and what are now to be called Program Review Committees (PRC). The PRCs will have the same mandate as the old Program Assessment Committees (PAC), and will examine both new and existing programs, but now will:

- a) be appointed by the Dean of the Faculty involved rather than the President,
- b) be composed of seven to nine members external to Ryerson, rather than "at least seven",
- c) have two or three of the seven to nine who will be selected from the relevant Departmental Advisory Committee,
- d) have an overall membership which will "reflect the major constituencies of society, i.e., business and industry, professional societies and labour organizations, the public sector and the academic sector", rather than "five or more who are knowledgeable in the program field including management, labour and educators, and two or more who are not involved in the program field".
- e) have the Dean of the Faculty involved as an ex-officio member and the relevant department chairman as a resource person.

All of these changes are recommended by Ryerson as a result of its experience over the years with the review process.

Council is in agreement with these changes. While it might have seemed advisable to continue to have some members of the Committee who are not involved in the program field, Council accepts that Council's subsequent review of the program provides sufficient external review. As well, Ryerson is aware that the integrity of the process can be upheld only if a convincing case for societal need is made to Council.

For new programs, PRCs will, like the PACs, continue to examine such factors as anticipated student demand, employment opportunities for graduates, program uniqueness and whether the program is compatible with the role of Ryerson. For existing programs the PRCs will "focus primarily on the issue of current and anticipated market need", but will also review data relating to student demand and employment opportunities.

PRCs established to review new program proposals will also examine whether the program "should lead to a diploma or degree or be a combined degree/diploma offering". PRCs examining existing programs will, where appropriate, also examine this area. Council believes that this is a significant improvement in the review processes (see the discussion of this area in Appendices "A" and "B").

3. *Ibid.*, 76.

4. *Ibid.*, p. 4

The new mechanism spells out precisely what is involved internally for Ryerson in the assessment of a program's academic quality and financial viability. Council endorses this more detailed description of these aspects of the mechanism.

The new mechanism is based upon considerations and principles outlined in Advisory Memoranda 78-IV and 80-III. Therefore, Council expects that the reports of the new Program Review Committees will include:

- (a) a list of all institutions, organizations, agencies and corporations whose opinions on need were sought by the Committee,
- (b) the formal response from those groups listed in (a), and,
- (c) the judgment of the Committee based upon (b) and its own knowledge.⁵

As well, as noted in the document describing the new mechanism, Council and Ryerson will continue to be guided by Advisory Memorandum 80-IV, "The Role of Ryerson Polytechnical Institute", with respect to the general appropriateness of each program for the polytechnical setting.

Council believes that the modified mechanism for the review of existing degree and diploma programs and for the review of new degree and diploma program proposals will serve both Ryerson and Council well. Council commends Ryerson for the time and effort spent in applying the present mechanism to individual programs and for developing with Council the modified mechanism.

Accordingly, Council *recommends to the Minister*:

OCUA 84-14

MECHANISM FOR EXISTING DEGREE AND DIPLOMA PROGRAM APPROVAL AT RYERSON POLYTECHNICAL INSTITUTE

THAT, all existing degree and diploma programs at Ryerson continue to be eligible for formula funding on the recommendation of Council, such recommendation to be based upon the approval mechanism as outlined in Appendix "D" of this Memorandum.

And also accordingly, Council *recommends to the Minister*:

OCUA 84-15

MECHANISM FOR NEW DEGREE AND DIPLOMA PROGRAM APPROVAL AT RYERSON POLYTECHNICAL INSTITUTE

THAT, all new degree and diploma programs be considered for formula funding by the Minister on the recommendation of Council, such recommendation to be based upon the approval mechanism outlined in Appendix "D" of this memorandum.

M. Paikin
Chairman
January 18, 1985

5. Ontario Council on University Affairs, "Advisory Memorandum 80-III," *Seventh Annual Report*, 1980-81, p. 124.



Ontario
Council on
University
Affairs

416/965-5233

7th Floor
700 Bay Street
Toronto, Ontario

September 29, 1983

Dr. Segal,
President,
Ryerson Polytechnical Institute,
50 Gould Street,
Toronto, Ontario

Dear Dr. Segal,

The Ryerson Committee of Council has recently been considering the contents of your recent brief on Ryerson's program review process (dated April 29th) and the results of the May 19th Hearing - primarily in the context of Council's comments in Advisory Memorandum 82-XI concerning internal program review. As a result of its deliberations, the Committee wishes to note the following points which it feels should be recognized in future descriptions of the Institute's program review process.

1. The Degree/Diploma Continuum

Although your document (in Appendix I) emphasizes one part of Advisory Memorandum 80-IV, no explicit mention is made of the following equally important section:

Ryerson's unique position is reflected in the nature and range of the programs offered by the Institute. Ryerson offers roughly equal numbers of diploma and degree programs - often after some form of work experience. This type of "diploma-degree continuum" provides a distinctive opportunity for the Institute's students in the fields of applied arts, technology and business management. Council believes that the provision of this program mix is one of the most important features of the kind of polytechnical education provided by Ryerson. If the Institute's mandate were significantly altered, a void would be created which could not easily be filled by any other existing post-secondary educational institution.

The balance of diploma and degree programs, which was approximately 50:50 at the time A.M.80-IV was written, appears to be gradually inclining away from diploma programs in favour of degree programs. Such a trend, in the Committee's view, is regrettable and may ultimately constitute a significant alteration in the Institute's mandate. Care must be taken, therefore, to ensure that the program review process incorporates features which allow for a consideration of the overall impact of one or more program decisions on the Institute's program mix. It is the Committee's view, therefore, that part of Ryerson's program review process should involve an examination of whether a program (new or existing) should lead to a diploma or degree or should be a combined degree/diploma offering.

2. **Communication of Results**

We believe that, as a result of your comments at the May 19th Hearing, it would be more accurate on page 4 of the document (under "7. Final Decision") to combine the second and third sentences thusly:

A decision that an existing program should be either continued or terminated will be communicated to OCUA and to the Minister of Colleges and Universities.

3. **Similar Programs**

The Committee suggests that the second sentence of the first paragraph at the top of page 3 might better read as follows:

In addition, the committee will consider other factors such as whether similar programs are already available at the other *post-secondary* institutions *in the Province* and whether . . .

4. **"Polytechnical University"**

The Committee notes Ryerson's description of itself as "an innovative polytechnical *university*" (Appendix II). The Committee is disappointed that the Institute is apparently attempting to pursue a role within the system which is at odds with both provincial legislation and Council's repeated statements concerning the dangers involved in Ryerson making significant alterations in its established mandate.

With the acceptance by Ryerson of the points noted above, the Committee is prepared to recommend to Council that the April 29th document be accepted as an appropriate response to A.M. 82-XI.

Yours sincerely,

B. C. Matthews
Chairman

(Original signed by Dr. B. C. Matthews)

RYERSON

OFFICE OF THE PRESIDENT

December 6, 1983

Ref: 11/13

Mrs. M. Paikin, Chairman
Ontario Council on University Affairs
700 Bay Street
7th Floor
Toronto, Ontario
M5H 2T8

Dear Mrs. Paikin:

Thank you for the opportunity of meeting with yourself, Mr. Taylor and other members of Council's Ryerson Committee on November 17th. In light of our discussions, I should like to follow up with these comments on Dr. Matthews' letter of September 29th.

1. The Degree/Diploma Continuum

I hope that the data which we provided at the meeting (copies of which are attached) will reassure Council that Ryerson is committed to maintaining a strong balance between diploma and degree programs. For example:

In 1980, 52.8% of our academic awards were diplomas and 41.3% were degrees. In 1983, 51.1% were diplomas and 47.3% were degrees. In 1983, 68 more students graduated with diplomas than in 1980.

While in the past four years the number of programs offering degrees has risen from 22 to 25, the number of diploma awards has only changed from 21 to 20.

In 1979/80, 51.7% of our FFTE students were enrolled in diploma programs; in 1982/83 this figure had risen to 59.4%. Over the same period, the number of degree FFTE's had dropped from 45.8% to 40.3%.

The overall picture does, I think, reveal that changes in Ryerson's programs have been measured, rational, and modest. Nothing has happened since Advisory Memorandum 80-IV to suggest that Ryerson has been trying to shift the focus of its education.

At the same time, it is important to reiterate a point that we stressed at the meeting. We have been assigned the mandate to offer career-oriented education at the undergraduate level. We have been asked to pay particular and continuing attention to ensuring that our programs retain their market relevance, and to do this through the special mechanism of Advisory Councils. It is precisely in search of market relevance, and in response to the Advisory Councils, that the changes in Ryerson's programs have taken place, or are being contemplated. There is pressure for higher level credentials for career entry, and although the quality and rigour of a Ryerson diploma is the highest in Ontario, representatives of the career fields hiring our graduates are urging us to move these programs to degree level.

Since I became President, we have resisted all pressure to eliminate existing diplomas. We feel it is important for this exit point to be maintained, and intend to continue to do so. When we are persuaded that the societal

need as contended by our Advisory Councils is borne out by the investigation of an independent Program Review Committee, we will forward to Council proposals for new degree programs.

We would agree that any proposal for a wholly new program would include an examination of whether it should lead to a diploma or degree, or be a combined degree/diploma offering. Where we feel such an examination is appropriate in the periodic review of an existing program we would be prepared to undertake it, but do not feel it is useful to stipulate this as a requirement for all existing programs.

Approval of such proposals will obviously alter the arithmetic ratio of diplomas to degrees. But this of itself should not, in our view, be the measure of whether Ryerson is fulfilling its educational mandate within the Ontario post-secondary system.

2. **Communication of Results**

We agree to your suggestion to combine the second and third sentences under "Final Decision" on page 4 of the document to read:

A decision that an existing program should be either continued or terminated will be communicated to OCUA and to the Minister of Colleges and Universities.

3. **Similar Programs**

We agree to your suggestion that the second sentence of the first paragraph on page 3 should read:

In addition, the Committee will consider other factors such as whether similar programs are already available at the other post-secondary institutions in the Province and whether . . .

4. **"Polytechnical University"**

Ryerson has no aspirations to offer post-graduate programs or to engage in basic research. Although we feel there is a valid role for applied research at the Institute, we recognize that this is not the current view of OCUA or the Government. Our use of the word "university", as in the phrase "an innovative polytechnical university", dates from a statement of objectives adopted by our Academic Council in 1974. Its recent use was intended to convey no more than that we are a degree-granting institution, treated by the Ministry as part of the university sector, offering university-level courses of study. We appreciate that this usage causes discomfort to Council and may suggest a broadening of our mandate that we do not intend. Accordingly, we will refrain from any further reference to Ryerson as a "university", but we will continue to use the term "university-level" with respect to those programs for which it is appropriate to do so.

Once again, many thanks for the opportunity to meet with the Ryerson Committee. I do hope we can arrange to discuss Ryerson's progress with the Committee on a somewhat more regular basis in the future.

Yours sincerely,

Brian Segal

attchs.

(Original signed by Dr. Brian Segal)

Number of Diploma only, Diploma/Degree, Degree only programs

Academic Awards	1979-80	1980-81	1981-82	1982-83	1983-84
Diploma only	10	8	8	8	8
Diploma and Degree	11	12	12	12	12
Degree only	11	14	14	13	13

Notes:

1980-81 (1) *Applied Computer Science* phased out diploma program and began to offer degree only.

(2) *Environmental Health* phased out certificate and began to offer degree only. Students can still leave after the second year and become certified Public Health Inspectors but they do not receive an academic award.

(3) *Nursing* added a two year degree program.

(4) *Technological Studies* received approval for a degree program but program never enrolled any students due to insufficient applications.

(5) The above four new degree programs were approved by Academic Council in December 1979/January 1980, sent to M.C.U. in February 1980 and approved on July 24, 1980 (Advisory Memorandum 80-III).

1982-83 (1) Degree program in Construction Management was discontinued. We are still phasing out this program but have not enrolled any new students since 1982-83.

November 17, 1983

Academic Awards

Year	Certificate	Diploma	Degree	Total
1980	133 (5.8%)	1210 (52.8%)	945 (41.3%)	2288
1981	116 (4.6%)	1342 (54.2%)	1018 (41.1%)	2476
1982	57 (2.2%)	1269 (44.6%)	1229 (48.1%)	2555
1983	36 (1.4%)	1278 (51.1%)	1183 (47.3%)	2497

Number of Programs

Year	Certificate	Diploma	Degree
1980	3	21	22
1981	1	20	25
1982	1	20	25
1983	0	20	25

Note: 1981 — Computer Science changed from a diploma to a degree program.
 — Environmental Health went from a certificate to a degree program.
 — Nursing added a degree phase to the program.

November 14, 1983

Year	Enrolment							
	Certificate		Diploma		Degree		Total	
	Bodies	F.F.T.E.	Bodies	F.F.T.E.	Bodies	F.F.T.E.	Bodies	F.F.T.E.
1979/80	264 (2.4%)	224.860 (2.4%)	5382 (49.5%)	4841.717 (51.7%)	5207 (48%)	4296.400 (45.8%)	10853	9362.97
1980/81	162 (1.4%)	127.540 (1.3%)	5139 (46.7%)	4710.520 (49.4%)	5683 (51.7%)	4686.800 (49.2%)	10984	9524.86
1981/82	81 (.7%)	61.670 (.6%)	6100 (55.4%)	5674.260 (59.6%)	4814 (43.7%)	3781.600 (39.7%)	10995	9517.53
1982/83	28 (.25%)	17.430 (.1%)	6054 (54.4%)	5769.210 (59.4%)	5038 (45.3%)	3921.820 (40.3%)	11120	9708.46

November 14, 1983

First Year/Semester Registered Student Background — Fall Term
Ryerson Summary

Year	Total # in Prog.	A		B		C		D		E		F		G		H		I		J		K & L		H	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
1977	3554	372	10.5	355	10.0	1818	51.2	66	1.6	89	2.5	92	2.6	369	10.4	43	1.2	198	5.6	85	2.4	12	0.3	55	1.5
1978	3789	324	8.6	427	11.3	1883	49.7	82	2.5	199	5.3	86	2.3	382	10.1	50	1.3	206	5.4	76	2.0	53	1.4	21	0.6
1979	3654	309	8.5	333	9.1	1810	49.5	75	2.1	117	3.2	92	2.5	425	11.6	44	1.2	223	6.1	84	2.3	90	2.5	52	1.4
1980	3626	278	7.7	224	6.2	1804	49.8	73	2.0	129	3.6	134	3.7	425	11.7	60	1.7	284	7.8	86	2.4	59	1.6	70	1.9
1981	3369	228	6.8	300	8.9	1736	51.5	82	2.4	101	3.0	129	3.8	354	10.5	38	1.1	222	6.6	82	2.4	35	1.0	62	1.8
1982	3403	365	10.7	266	7.8	1908	56.1	65	1.9	57	1.7	110	3.2	271	8.0	43	1.3	188	5.5	72	2.1	14	0.4	44	1.3



Appendix C

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Toronto, Ontario
M5G 1Z6

January 20, 1984

Dr. B. Segal,
President,
Ryerson Polytechnical Institute
50 Gould Street,
Toronto, Ontario.

Dear Dr. Segal,

Thank you for your letter of December 6, 1983 which commented on matters raised in Dr. Matthews' letter of September 20, 1983. On behalf of Council I can inform you of Council's formal acceptance of your comments. We assume that the document entitled *Ryerson Program Review Process*, dated April, 1983, will be amended accordingly, and that an amended version will be forwarded shortly to Council.

I would like to thank you and your staff for your attention to this matter. Council looks forward to further discussions concerning your review process.

Yours sincerely,

A handwritten signature in cursive script, reading "M. Paikin".

M. Paikin
Acting Chairman

MP:dd



Ontario
Council on
University
Affairs

416/965-5233

7th Floor
700 Bay Street
Toronto, Ontario
M5G 1Z6

October 25, 1984

Dr. Brian Segal,
President,
Ryerson Polytechnical Institute,
50 Gould Street,
Toronto, Ontario.

Dear Dr. Segal,

Thank you for your letter of September 24, 1984 concerning Ryerson's new Program Review Process. It reflects completely our understandings and agreements. I wish to thank you and your staff for the work which I know went into arriving at this final version of the document. I am sure the procedures will be of great benefit to both Ryerson and OCUA.

We look forward to receiving a tentative schedule for the review of existing diploma and degree programs.

Yours sincerely,

A handwritten signature in cursive script, reading "M. Paikin".

M. Paikin
Chairman

c.c. Members of OCUA Ryerson Committee
R. Benson

MP:dd

Appendix E

RYERSON

OFFICE OF THE PRESIDENT

September 24, 1984

Mrs. M. Paikin
Chairman
Ontario Council on University Affairs
700 Bay Street
7th Floor
Toronto, Ontario
M5H 2T8

Dear Mrs. Paikin:

I am pleased to convey with this letter the final form of the Ryerson Program Review Process. It has been amended to include changes requested by OCUA and agreed by us in a series of letters and meetings including:

- Matthews to Segal, 29 September 1983
- A meeting of the Ryerson Committee of OCUA and Ryerson representatives in the fall of 1983
- Segal to Paikin, 6 December 1983
- Paikin to Segal, 20 January, 1984

We will begin this academic year to cycle through this new Review Process for existing and new diploma and degree programs except the Survey Engineering degree Program. You will recall that we delayed submission of this program under the former Evaluation Process pending revisions to reduce its costs and improve its relationship to the survey profession. This work is in its final stages and the program will be submitted to OCUA in November.

As you know the Ryerson Program Review Process involves periodic re-assessment of existing diploma and degree programs. It is our intention to forward to you shortly a tentative schedule for the review of existing diploma and degree programs over the next seven years. We hope that this will facilitate your planning.

Sincerely,

Brian Segal

enc.

(Original signed by Dr. Brian Segal)



RYERSON PROGRAM REVIEW PROCESS

1. PURPOSE
2. SCOPE
3. MECHANISM
4. ASSESSMENT OF SOCIETAL NEED
5. ASSESSMENT OF ACADEMIC QUALITY
6. ASSESSMENT OF FINANCIAL VIABILITY
7. FINAL DECISION

RYERSON PROGRAM REVIEW PROCESS

1. Purpose

The Ryerson Program Review Process is designed to provide a means of determining whether a degree or diploma program is an appropriate program for Ryerson Polytechnical Institute. For an existing program, the process will determine whether the program continues to be appropriate and for a new program, the process will determine whether it is appropriate to establish the program.

The Ryerson Program Review Process is also intended to serve as the basis for the recommendation of OCUA that a new degree or diploma program be authorized for funding by the Minister of Colleges and Universities.

2. Scope

For the purposes of the Ryerson Program Review Process, the general nature of programs deemed to be appropriate to Ryerson is indicated in OCUA Advisory Memorandum 80-IV: *The Role of Ryerson Polytechnical Institute* (see Appendix 1) and in *Academic Aims and Goals*, approved by Ryerson's Academic Council (see Appendix II).

Within this context, the Ryerson Program Review Process will involve examination of three distinct aspects of all degree and diploma programs, namely:

- (a) Societal need
- (b) Academic quality
- (c) Financial viability.

3. Mechanism

In the Ryerson Program Review Process, assessment of the three elements of a degree or diploma program will be carried out primarily by three bodies, as follows:

- (a) Societal need - Program Review Committee
- (b) Academic quality - Academic Council
- (c) Financial viability - Board of Governors.

These three bodies will complete their work in sequence. Thus Academic Council will not make its final assessment of academic quality until the Program Review Committee has completed its assessment of societal need. Likewise, the Board of Governors will not make its final assessment of financial viability until Academic Council has completed its evaluation. It is emphasized that this sequence applies only to the final decisions of the three bodies: the possibility of simultaneous preparatory work or exchange of information by the three groups is not precluded.

It is intended to apply the Ryerson Program Review Process to both existing and new programs. All existing degree and diploma programs will be subject to the process at intervals of not more than seven years in order to confirm that it continues to be appropriate to offer them at Ryerson. In the case of new degree and diploma programs, the process will determine whether it is appropriate to establish them at Ryerson.

It may be noted that, in addition to the Ryerson Program Review Process there are several other review processes in operation at Ryerson. The Ryerson Program Review Process will be integrated into these various processes as appropriate.

4. Assessment of Societal Need

The assessment of societal need will be carried out primarily by a Program Review Committee. Every program will have a Program Review Committee consisting of persons external to the immediate Ryerson community. The members of the committee will be appointed by the Dean of the Faculty responsible for the program. The committee will consist of seven to nine members, two or three of whom will be

selected from the relevant Departmental Advisory Committee (see Appendix III). The overall membership will reflect the major constituencies of society, i.e. business and industry, professional societies and labour organizations, the public sector and the academic sector. The Dean will be an *ex-officio* member of the Committee. The program Departmental Chairman will act as a resource person.

In the case of the review of an existing program, the committee will focus primarily on the issue of current and anticipated market need. The committee will be supplied with data on the level of student demand and the level of employment opportunities, in addition to any other relevant material. The committee itself may request or generate further material. Where considered appropriate by Ryerson the review of an existing program may include an examination of whether it should lead to a diploma or a degree, or be a combined degree/diploma offering. At the conclusion of its deliberations, the committee will issue a report. This report will contain all the data considered by the committee together with a statement that in the judgement of the committee, based on the data considered and the committee's own knowledge, the program does or does not continue to satisfy a societal need. The report will also contain any recommendations that the committee may care to make.

In the case of the review of a new program, the committee will again focus primarily on the issue of current and anticipated market need. In addition, the committee will consider other factors such as whether similar programs are already available at other post-secondary institutions in the Province and whether the proposed program is compatible with the role of Ryerson. The review of each new program will include an examination of whether it should lead to a diploma or degree or be a combined degree/diploma offering. The committee will be supplied with data on anticipated student demand and anticipated employment opportunities and also with data on any similar programs offered by other institutions. The committee itself may request or generate further material. At the conclusion of its deliberations, the committee will issue a report. This report will contain all the data considered by the committee, together with a statement that in the judgement of the committee, based on the data considered and the committee's own knowledge, the proposed program will or will not satisfy a societal need. The report will also contain any recommendations that the committee may care to make.

The report of the Program Review Committee will be forwarded to Academic Council for consideration.

5. Assessment of Academic Quality

The assessment of academic quality will be carried out primarily by Academic Council as charged under the Ryerson Act, 1977 (see Appendix IV).

The Dean of the faculty responsible for the program will issue a report dealing with the academic quality of the program.

In the case of the review of an existing program, the report will focus particularly on changes which have occurred since the program was previously reviewed under the Ryerson Program Review Process. Thus the report will provide information developments in program objectives, curriculum, methods of instruction, admission and promotion criteria, faculty, facilities, equipment and institutional resources. The report may also include recommendations for modifications to the program.

In the case of the review of a new program, the report will describe fully the objectives of the program, the proposed curriculum, methods of instruction, and admission and promotion criteria and required faculty, facilities, equipment and institutional resources.

The report on academic quality issued by the Dean will be forwarded to Academic Council for consideration.

After consideration of the report of the Program Review Committee dealing with societal need and of the report dealing with academic quality, Academic Council will make any changes to the program which it deems appropriate and then make a recommendation to the Board of Governors that the program be continued, terminated or established.

6. Assessment of Financial Viability

The assessment of financial viability will be carried out primarily by the Board of Governors.

Financial viability embraces two relatively distinct considerations, namely, financial soundness and financial availability.

Financial soundness relates to the inherent financial characteristics of the program and considers questions of the following type. Are the costs of the program's principal resource requirements reasonable in relation to the nature and size of the program? Do the ratios of outputs to inputs indicate an acceptable level of efficiency? Are there opportunities for improved efficiency?

Financial availability relates to the provision of funds to meet the costs of operating the program and considers questions of the following type: To what extent are the costs of the program matched by or included in revenues? Do the direct or indirect costs of the program have an impact on the availability of resources for other programs which is acceptable?

The Director of Finance and Dean of the Faculty responsible for the program will prepare a report dealing with the financial viability of the program. In the case of the review of an existing program, actual operating data will be used. In the case of the review of a new program, estimated data will be used.

The report of financial viability prepared by the Director of Finance and Dean will be forwarded to the Board of Governors for consideration.

7. Final Decision

After consideration of the report of the Program Review Committee dealing with societal need, the recommendation of Academic Council and the report of financial viability, the Board of Governors will make the decision that the program should be continued, terminated or established.

A decision that an existing program should be continued or terminated will be communicated to OCUA and to the Minister of Colleges and Universities.

A decision that a new program should be established will be forwarded to OCUA with a request that the program be recommended for funding. In such cases, the following documentation will be provided:

- (a) The Report of the Program Review Committee dealing with societal need.
- (b) The report issued by the Dean of the Faculty responsible for the program dealing with academic quality.
- (c) The recommendation of Academic Council that the program be continued, terminated or established.
- (d) The report prepared by the Director of Finance and Dean of the Faculty responsible for the program dealing with financial viability.

September 1984

APPENDIX I

**EXCERPT FROM OCUA ADVISORY MEMORANDUM 80-IV:
THE ROLE OF RYERSON POLYTECHNICAL INSTITUTE (AUGUST 8, 1980)**

(Ryerson programs)

. . . should continue to be more oriented towards the practical and the "immediately useful" than the universities' arts and science programs and, for that matter, the universities' programs in established professional disciplines. By offering such programs, which appeal to those students more oriented towards the immediate utilization of practical knowledge, Ryerson contributes to the development of Ontario's industrial/commercial base. Ryerson's programs should continue to relate directly to the market place; indeed, Ryerson's programs should fill either a current or anticipated market need or they should not exist.

Ryerson Program Review Process

September 1984

APPENDIX II
ACADEMIC AIM AND GOALS

Aim and Goals which have been approved by Academic Council (February, 1977):

AIM

Ryerson Polytechnical Institute is an innovative polytechnical university providing career-oriented education for superior professional achievement.

GOALS

- Goal #1 – Career-oriented programs and courses for students preparing to embark on their first career, about to change careers, or who desire to improve their knowledge and professional competence.
- Goal #2 – Curricula which integrate the applied, theoretical, creative, and critical aspects of the arts and sciences.
- Goal #3 – Admission of students who have career objectives related to programs and who are capable of completing the curriculum.
- Goal #4 – Graduates who have capacity for leadership, creativity, analysis, judgement and reflection, and who are capable of meeting the changing needs of society.
- Goal #5 – An educational atmosphere which encourages new approaches to teaching and learning.
- Goal #6 – An innovative faculty with advanced academic qualifications, professional experience, teaching skills, and a concern for people.
- Goal #7 – A high degree of individual contact between student and teacher.
- Goal #8 – Physical facilities and support services that meet changing academic needs.
- Goal #9 – Participation of faculty and students in relevant professional associations and learned societies.
- Goal #10 – Useful relations with business, government, industry and the community.
- Goal #11 – Participation in the solution of current problems of government, business, industry and the community.
- Goal #12 – Local, national and international recognition of Ryerson's role in the educational community.

APPENDIX III

POLICY REGARDING DEPARTMENTAL ADVISORY COMMITTEES

Every program will have a Departmental Advisory Committee consisting of persons external to the Ryerson community. The members of the committee will be appointed by the program Departmental Chairman (who will be an ex-officio member of the committee). The committee will meet at least once per year and minutes of meetings will be kept. The purpose of the committee will be to provide advice to the Departmental Chairman regarding the relevance of the curriculum to market needs.

APPENDIX IV

EXCERPT FROM

BILL 25

AN ACT RESPECTING RYERSON POLYTECHNICAL INSTITUTE (1977)

10. The Academic Council has, subject to the approval of the Board with respect to the expenditure of funds, the power to establish the educational policy of the Institute and without limiting the generality of the foregoing has the power,
- (a) to enact by-laws for the conduct of its affairs;
 - (b) to enact by-laws for the purposes of subsection 2 of section 9 in order to conduct the election of its members;
 - (c) to make recommendations to the Board with respect to the establishment, change or termination of programs and courses of study, schools, divisions and departments;
 - (d) to determine the curricula of all programs and courses of study, the standards of admission to the Institute and continued registration therein, and the qualifications for degrees, diplomas and certificates of the Institute.
 - (e) to conduct examinations, appoint examiners and decide all matters relating thereto;
 - (f) to award fellowships, scholarships, bursaries, medals, prizes and other marks of academic achievement;
 - (g) to award diplomas and certificates;
 - (h) to grant bachelor of applied arts, bachelor of technology and bachelor of business management degrees; and
 - (i) to create councils and committees to exercise its powers. *New.*

84-VI Funding for Three New Degree Programs at Ryerson Polytechnical Institute

In Advisory Memorandum 78-IV, which was approved by the Minister, Council established a mechanism for considering existing and new degree and diploma programs at Ryerson Polytechnical Institute. The mechanism essentially consists of:

... a recommendation from Ryerson supported by Academic Council's approval of the academic quality of a program, the Board of Governors' assurance of the financial viability of the program and the Program Assessment Committee's report on and certification of societal need.¹

Recently Council and Ryerson reviewed the mechanism for program approvals. The result of that joint review is the subject of Advisory Memorandum 84-V. Council is satisfied that the review has produced an even more comprehensive and accountable process. However, several new programs were submitted for approval during the process of review. These, therefore, were subjected to the existing mechanisms as outlined in Advisory Memorandum 78-IV.

Fashion (Bachelor of Applied Arts)

In January, 1984, Ryerson requested that Council consider for formula funding approval a new four-year degree program in Fashion. Ryerson has been enrolling students in Fashion courses since 1950. At present Ryerson offers a three-year diploma in Fashion, but now feels that it would be appropriate also to offer a four-year degree program. No degree programs in Fashion are currently available in Canada, and, therefore, those students wishing to obtain a degree have to go to the United States in order to further their education beyond the diploma level.

Council has been assured that Ryerson's Academic Council has approved the academic quality of the program. As well as regular Grade 13 applicants, CAAT and Ryerson Fashion alumni will be eligible for admission to the program. The degree program would be phased in (see Appendix "A"), and would include certain enrolment limits in various specializations (see Appendix "B"). A diploma would be awarded to those students who choose to exit from the program after three years.

Council also has been assured that the Board of Governors of Ryerson has attested to the financial viability of the program. Council notes that additional resources may be required, but Council concludes that the certification of financial viability indicates Ryerson's commitment to providing these resources through regular operating resources.

Council has reviewed in detail the report of the Program Assessment Committee (see Appendix "C" for summary of Report). The Report included, as required:

- (a) a list of all institutions, organizations, agencies and corporations whose opinions on need were sought by the Committee.
- (b) the formal response from those groups listed in (a), and,
- (c) the judgment of the Committee based upon (b) and its own knowledge.

The Committee attests to the societal need for the program, and Council also notes that for the 1983-84 academic year there were 2.7 applicants for each place available in the diploma program.

The program has met all of Council's criteria for funding approval.

1. Ontario Council on University Affairs *Sixth Annual Report*, 1978-79, p. 74.

Accordingly, Council *recommends to the Minister:*

OCUA 84-16

**FUNDING FOR THE NEW DEGREE PROGRAM IN FASHION AT RYERSON
POLYTECHNICAL INSTITUTE**

THAT the Bachelor of Applied Arts (Fashion) program be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1985-86 on, be included in the moving average for Ryerson Polytechnical Institute.

Aerospace Engineering Technology (Bachelor of Technology)

In July, 1984, Ryerson requested that Council consider, for funding approval, a new degree program in Aerospace Engineering Technology.

Ryerson has been offering Aerospace courses since 1956. In 1971, the current three-year diploma program was established within the Mechanical Engineering Department. In a supplemental submission on October 9, 1984, Ryerson clarified its wish to phase out the diploma program (though a diploma would be awarded to any students who completed successfully three years of the program and exited at that point) and to establish a degree program:

... the present trend is that diploma graduates wish to proceed immediately to complete a degree; only those who cannot gain admission into our Mechanical Engineering Technology degree program proceed directly to the work force. Thus, the practical reality is that for our present students, the existing diploma is less and less a useful point of termination. When this fact is combined with industry judgement that a program which concentrates primarily on producing degree graduates is more useful in meeting societal need, the basis of our proposal becomes clearly evident.²

Council has been assured that Ryerson's Academic Council has approved the academic quality of the new program. As well, Ryerson's Board of Governors has attested to the financial viability of the program. Though Ryerson notes that some additional equipment resources will be required for the program, Ryerson anticipates being able to finance their acquisition in the next 2-3 years through the regular capital budget of the Faculty of Technology."³

Ryerson also plans to improve by 1.7 F.T.E. its teaching capacity for the program when the proposal is approved. Again Council concludes this will be accomplished through a redeployment of regular operating resources.

Council has carefully reviewed the report of the Program Assessment Committee (see Appendix "D" for summary of Report), which surveyed over 200 companies in the aerospace industry. Ninety completed surveys were returned and all survey material was made available to Council. In all, firms indicated that they expected to hire some 1,600 new employees in the Aerospace field during the next three to five years. For a significant number of these, respondents indicated that they would prefer graduates of a Ryerson degree program over a diploma program. It is interesting to note that 28 companies indicated that they currently recruit personnel from offshore sources.

Council reviewed carefully the Program Assessment Committee's claim that the Ryerson program would not duplicate existing CAAT or university Aerospace Technology offerings. The following excerpt from the PAC Report summarizes accurately the place of the Ryerson program with respect to other post-secondary programs in the province:

2. Letter from Dr. Brian Segal to Mrs. Marnie Paikin, October 9, 1984, p. 2.

3. *Ibid.*, p. 3.

The C.A.A.T. programs generally produce graduates suitable for careers in pilot training, aircraft maintenance and for management positions in air transport operations. At the University of Toronto there is no first degree in aerospace although in the fourth year of Engineering Science optional courses are available, and advanced degrees in aerospace are available at the Institute of Aerospace Studies. Generally, similar but less extensive programs are offered at Carleton. Typically, these programs prepare graduates for technical design areas requiring strong analytical capabilities, or for Research and Development. The present Ryerson diploma is more practically oriented and it produces graduates most suitable for manufacturing, testing and development activities in Aerospace vehicles . . .

The proposed Ryerson degree in Aeronautical Engineering will produce graduates having a higher academic standing and wider background than the current diploma program, while still maintaining the desirable benefits of a practical background. The proposed degree will fill the significant gap between the existing C.A.A.T. courses and the advanced degrees at the Universities of Toronto and Carleton, and it will have very little overlap with existing programs.⁴

Council is satisfied that the PAC has addressed thoroughly the societal need for the program. Council also notes that the ratio of applicants to places available in the current diploma program is 6:1.

Council is satisfied that this program has met all of Council's funding criteria for new Ryerson degree programs.

Accordingly, Council *recommends to the Minister*:

OCUA 84-17

**FUNDING FOR THE NEW DEGREE PROGRAM IN AEROSPACE TECHNOLOGY
AT RYERSON POLYTECHNICAL INSTITUTE**

THAT the Bachelor of Technology (Aerospace Engineering Technology) program be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1985-86 on, be included in the moving average for Ryerson Polytechnical Institute.

Applied Economics (Bachelor of Applied Arts)

In April 1984, Ryerson requested that Council consider for funding approval its new degree program in Applied Economics. Economics is one of eleven "academic service departments". The others are: Business and Technical Communication; English (French Studies); Geography; History; Mathematics, Physics and Computer Science; Philosophy; Physical Health Education; Politics; Psychology; and Sociology. These departments form an integral part of Ryerson's array of course offerings. They provide a crucial liberal studies component in many applied professional programs. The Department of Economics offers its 26 courses to every program in Ryerson. Ryerson now proposes to offer a four-year degree program in Applied Economics, open to both full-time and part-time students.

Ryerson has applied the program approval mechanism set out in Advisory Memorandum 78-IV to this proposal. Therefore, Ryerson's Academic Council and Board of Governors have attested to the academic quality and financial viability of the

4. Ryerson Polytechnical Institute, *Proposal for a Degree Program in Aerospace Engineering Technology at Ryerson Polytechnical Institute — Societal Needs: Report of the Program Assessment Committee*, March 1984, p. 6

program and Council has reviewed the report of the Program Assessment Committee (see Appendix "E" for summary of Report).

In Advisory Memorandum 80-IV, Council stated that: "Ryerson's programs should continue to relate directly to the market place; indeed Ryerson's programs should fill either a current or anticipated market need or they should not exist."⁵ Council is not convinced that there is a "current or anticipated market need" for this program.

Council believes that the need for qualified economists can be filled adequately by graduates of university undergraduate and graduate programs. Ryerson's proposed curriculum can be covered by several existing university undergraduate programs, and, therefore, there is not a unique niche for a Ryerson program in the Economics field. Some university programs, for instance, include a co-op feature and cover much of the same course content as the proposed Ryerson program.

Council has carefully reviewed all of the documentation made available, and concludes that the program is not consistent with Ryerson's role. Ryerson programs which are truly unique, and which fill a need that neither the community colleges nor the universities can fill, are and will be supported strongly by Council. This is not the case with the Applied Economics program. Council is certain that the Economics department at Ryerson will continue to perform a valuable and needed service function within the Institute; however the Department's role should not be expanded into the area of degree offerings.

Accordingly, Council *recommends to the Minister:*

OCUA 84-18

*FUNDING FOR THE NEW DEGREE PROGRAM IN APPLIED ECONOMICS AT
RYERSON POLYTECHNICAL INSTITUTE*

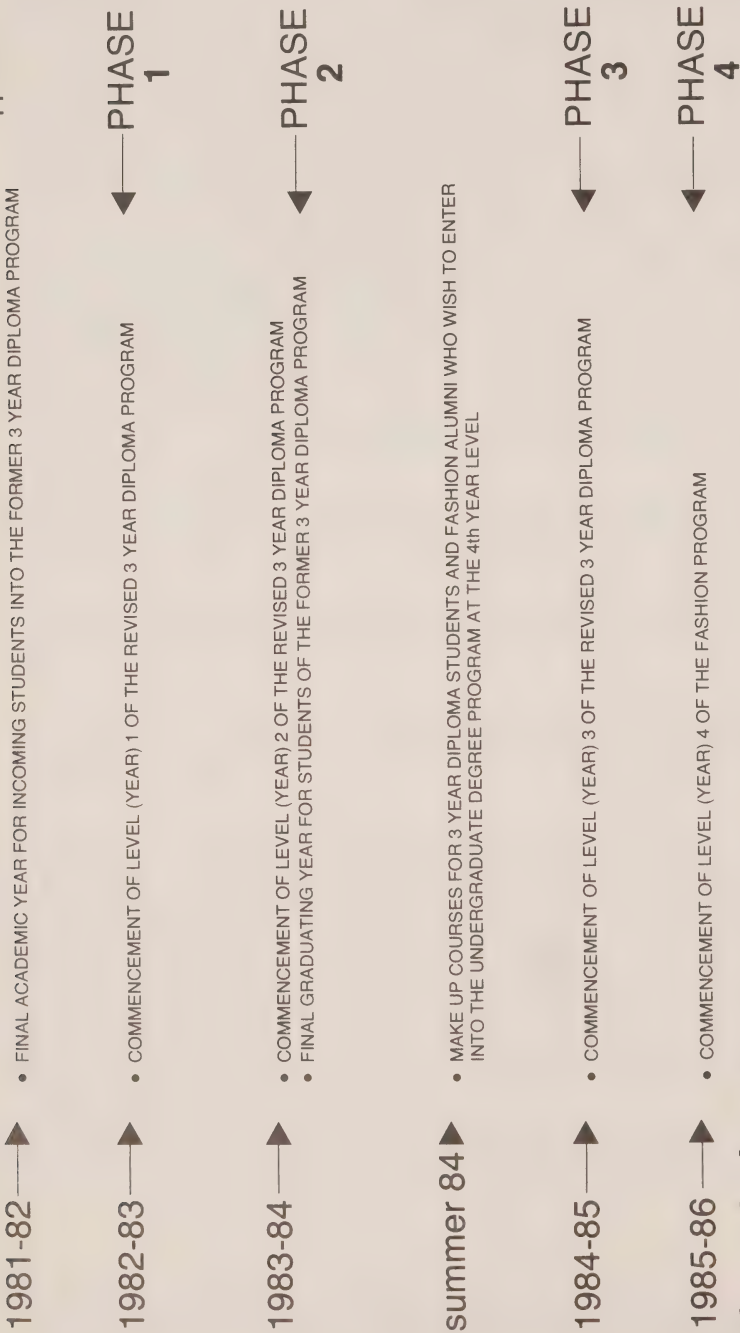
THAT enrolment in a Bachelor of Applied Arts (Applied Economics) program at Ryerson Polytechnical Institute be deemed ineligible for formula support.

M. Paikin
Chairman
January 18, 1985

5. Ontario Council on University Affairs, *Seventh Annual Report*, 1980-81, p. 75.

time phase implementation plan

Appendix A



fashion
time phase implementation plan
PHASE-III OF REVISED THREE YEAR DIPLOMA

100
incoming
students

Appendix B

1

FIRST YEAR
LAB/STUDIO - FIVE (5) SECTIONS
26 STUDENTS PER SECTION
LECTURE - FOUR (4) SECTIONS
32 (+) STUDENTS PER SECTION

2

SECOND YEAR
LAB/STUDIO - FOUR (4) SECTIONS
28 STUDENTS PER SECTION
LECTURE - FOUR (4) SECTIONS
26 STUDENTS PER SECTION

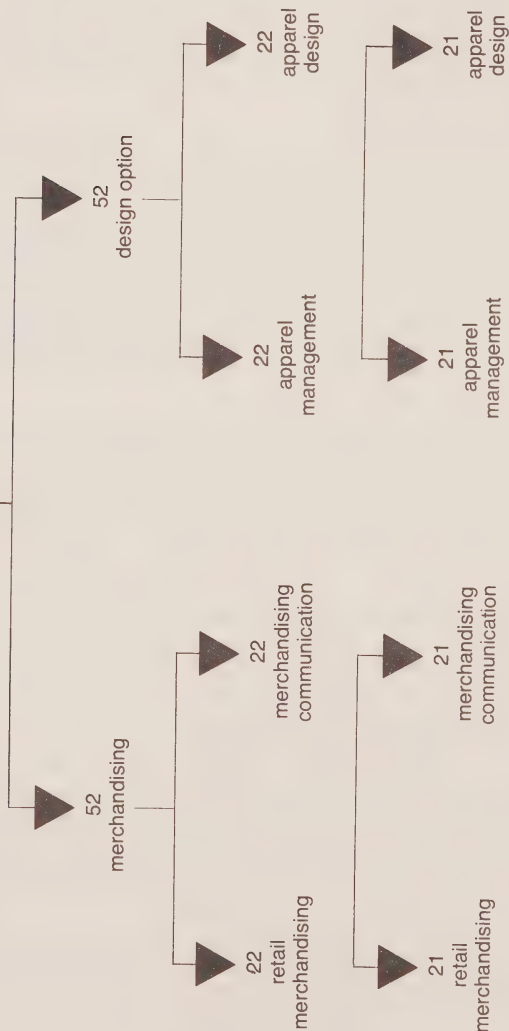
3

THIRD YEAR
LAB/STUDIO - FOUR (4) SECTIONS
22 STUDENTS PER SECTION
LECTURE - FOUR (4) SECTIONS
22 STUDENTS PER SECTION

4

FOURTH YEAR
LAB/STUDIO - FOUR (4) SECTIONS
21 STUDENTS PER SECTION
LECTURE - FOUR (4) SECTIONS
21 STUDENTS PER SECTION

1st. year
foundation year



1st. year 130 students
2nd. 104
3rd. 88
4th. 84

TOTAL ENROLLMENT 406

Rate of Attrition
1st year to 2nd
2nd year to 3rd
3rd year to 4th

Student No. Percentage
26 20.0
16 15.4
4 4.5

fashion



October 28, 198

Dr. B. Segal, President
Ryerson Polytechnical Institute
Jorgenson Hall
Toronto, Ontario
M5B 1E8

Dear Dr. Segal:

We, the undersigned, have evaluated the Fashion Department's proposal for Four-Year Degree Program, to determine whether in our judgements, it will satisfy societal need.

In carrying out our evaluation work, we have considered questions of student demand, employment opportunities, program duplication and the relationship of the Program to Ryerson's tradition and polytechnic role.

In reviewing the proposal with the Program Chairman, we have discovered that the number of interested and qualified applicants for each available space in First Year represents a ratio of 2.05 to 1 for the 1982-83 academic year. It should be noted that ratios of similar magnitude have been recorded for the past three years. (see "Admission Statistics" attached.)

The Committee has found no evidence that the present student demand will decline throughout the remainder of this decade. In our judgement, with effective marketing strategies, the Fashion Department could expect a substantial increase in student demand both nationally and internationally, for the next seven years.

In reviewing the level of employment opportunities for Fashion graduates, the Committee is of the opinion that too many students are devoting themselves exclusively to the goal of becoming a top-name designer. This can prove to be a frustrating and disillusioning experience when one considers the numerous areas where the design exposure can be such a powerful asset within the fashion industries. We were pleased to read in the Degree Proposal that the Fashion Department plans to reduce the number of students who are graduating in Design from the present forty-five to twenty-one.

The Committee also agrees with the Fashion Department in its proposal to increase the number of Business courses offered to Fashion students.

We believe that the Industry needs graduates who have a knowledge of marketing techniques as well as an understanding of manufacturing constraints and the limitations of production equipment.

In summary, we believe that the fashion industries need "Fashion Business Persons", to be it in design, apparel, retail management or advertising.

The Committee was unable to find a post-secondary institution in Ontario or, for that matter, in Canada which offered a similar program to the one proposed by the Fashion Department at Ryerson Polytechnical Institute. We concur with the Department's statement that "the Program would be unique in that it would be the only one in Canada to award a Bachelor of Applied Arts (Fashion) to candidates who have obtained the required credits within the Four-Year Degree Program."

In our opinion the proposed Program would undoubtedly offer a much-needed bridge between Ryerson and other Ontario Educational Institutions. The fact that Fashion Graduates of Ontario's Community Colleges would be able to apply for advance standing into the Third Year of the Degree Program is a major step in the right direction.

The possibility of Canadian students obtaining a Baccalaureate Degree in Fashion in Canada for the Canadian Fashion Industry is also needed to reduce the number of qualified students who, each year, are forced to leave this country to further their education beyond the level of a Diploma in Fashion.

In our opinion the curriculum and structure of the proposed Four-Year Program reflects the level of training and education that the fashion industries require. We feel that the degree of specialized training which the program would offer should assist significantly in reducing the need for industry to seek people with specific training outside of Canada.

In reviewing the proposed program's curriculum and its compatibility with the Institute's academic aims and goals, we are of the opinion that it is indeed compatible with Ryerson's polytechnic role. With respect to the Institute's goals, we have found it difficult to comment on some of them which rely on the judgements expected from Ryerson's Academic Council and the Board of Governors.

We can only recommend that the necessary funding for the additional faculty, staff, physical facilities and support services that meet the changing academic program needs, will be found.

Furthermore, that an educational atmosphere as outlined in the Degree proposal which encourages new approaches to teaching and learning, will be given due consideration.

We were pleased to learn that the Fashion Department is proposing to offer a Diploma exit at the end of the Third Year of the Four-Year Degree Program. We feel that this could provide the student with an alternative to a career-oriented education without affecting the curriculum balance nor jeopardizing the quality of the program.

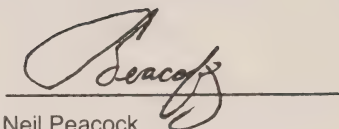
We welcome the Fashion Department's intention to offer certificate courses to part-time learners through the Continuing Education Division at Ryerson. It is our understanding that some of these courses would be accredited to both the Fashion Diploma/Degree Programs, thus offering an alternative method of study for those who cannot attend regular classes.

We have concluded that the program will satisfy a societal need and look forward to Institute's and Provincial support in receiving the necessary approvals as soon as possible.

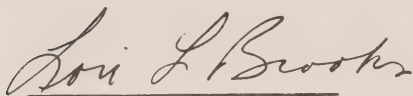
Yours sincerely,



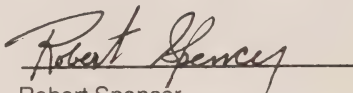
Rena Sava, Chairperson
Program Assessment Committee
Vice-President
Lady Manhattan of Canada



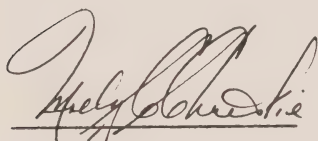
Neil Peacock
Executive Director
Fashion Canada



Lori Brooks
Director of Design
Sea Queen of Canada



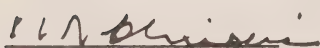
Robert Spencer
Chairman
Board of Education, Trustees



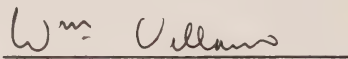
Molly Christie
Crafts Editor
Chatelaine Magazine



Andrew Tomcik
Chairman, Visual Arts
York University



Kenneth Christie
Managing Director
Dominion Simplicity Patterns



William Villano, Manager
International Ladies'
Garment Workers Union



Nora McCullough
General Manager - Merchandising
Simpsons Limited



Ed Ziemba, Organizer
International Ladies'
Garment Workers Union

Appendix D

THE DE HAVILLAND AIRCRAFT OF CANADA, LIMITED
DOWNSVIEW, ONTARIO M3K 1Y5

CABLES
MOTH TOR - TORONTO

TELEPHONE: (416) 639-7310
TELEX: DE HAV TOR 06-22128

March 7, 1984

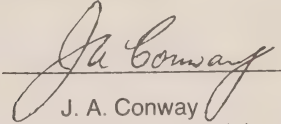
Dr. Brian Segal
President
Ryerson Polytechnical Institute
50 Gould Street
Toronto, Ontario
M5B 1E8

Dear Sir:

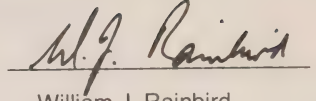
We, the undersigned, having evaluated the Aerospace Engineering Technology Program in accordance with our mandate as the Program Assessment Committee, agree to the following conclusions:

- (a) In our judgement, the Aerospace Engineering Technology Program represents a valuable contribution to the needs of society.
- (b) Ample evidence is available to indicate a considerable demand for the program by the students.
- (c) Expanding requirements in this technology field necessitate increased dedication to the specific disciplines which are currently addressed and a recognition of the professional status required.
- (d) That the program is consistent with Ryerson's tradition of professional and liberal education to the first degree level.
- (e) Employment opportunities in aerospace and associated fields exist and will continue to exist in the foreseeable future.
- (f) That there is no conflict or duplication with courses offered elsewhere in the province, but conversely, the program is well integrated into other educational courses which address the various extensions of the aerospace and transportation industries.
- (g) That the needs of society, in terms of education, employment opportunities, technology development and international sales, are directly addressed and will benefit, from the inclusion of this program in the curriculum.

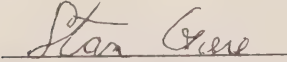
In support of the above, we submit the attached report.



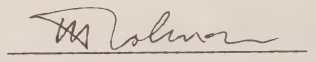
J. A. Conway
Manager - Engineering Administration
de Havilland Aircraft of Canada



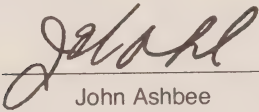
William J. Rainbird
Senior Scientist
Dilworth Secord Meaher and
Associates Ltd.



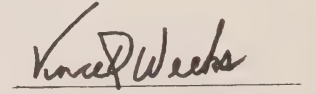
S. Gere
Senior Test Engineer
de Havilland Aircraft of Canada



L. Robinson
Dean of Durham College
Durham College



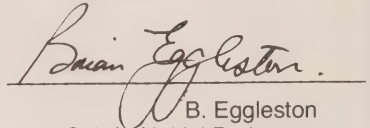
John Ashbee
Owner
Race Course Transportation Company



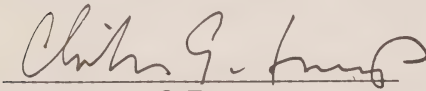
V. Weeks
Teacher
Queen Elizabeth Park School



R. Morris
Manager of Advanced Design Engineers
Pratt & Whitney Company



B. Eggleston
Chief of Initial Projects
de Havilland Aircraft of Canada



C. Trump
V.P. Assistant to the Chairman
Spar Aerospace Products Limited

Appendix E

November 27, 1981

Dr. Brian Segal
President
Ryerson Polytechnical Institute
50 Gould Street
Toronto, Ontario

Dear Sir:

RE: Applied Economics Program Assessment Committee

In assessing the societal need for the proposed program in applied economics, members of the Program Assessment Committee have found their terms of reference inappropriately limited in that societal need in our opinion, should not and cannot be evaluated without regard for cost and academic content.

As elaborated in the attached report, the Committee believes that there is a need for additional programs in economics to meet student demand for such programs and to satisfy employer demand for graduates in economics. The proposed program is well suited to meet those demands with its emphasis on training in communications as well as economics, management, and quantitative and research methods, and its insistence on practical application through internship. Accordingly, the Committee believes that the proposed program in applied economics should be offered by Ryerson, assuming that this can be done without undue additional costs to the Institute and with the understanding that the academic content fit the students (as Committee members believe it will) to continue their studies at the post-graduate level should they later wish to do so.

Yours very truly,

A. Guthrie, Chairman

A. Donner

R. Schwass

A. Amery

D. Drinkwalter

B. Smith

J. Bennett

J. Hoicka

D. Stager

L. Dodd

M. Rothman

K. Waldie

Attach.

(Original signed by each of the above)

November 27, 1981

REPORT OF THE APPLIED ECONOMICS PROGRAM ASSESSMENT COMMITTEE

Members of the Committee find that their terms of reference, requiring an assessment of societal need in terms of student demand, employment opportunities and duplication of program, without any reference to costs or to academic content, are unduly confining and, indeed, unreasonable. It is the Committee's view that societal need for, or benefits from, the proposed program in applied economics must be considered in relation to the costs of the program and should take into account academic content.

The Committee believes that student demand for programs in economics is, and will remain strong. This is based on data on student applications provided in the documentation supporting the proposal for the program and on evidence offered by Committee members aware of the number of applicants that are refused admission to existing economics programs at other Ontario universities because of lack of space or lack of teaching staff. In addition, there is a potentially important demand from "mature students", people now working who wish to upgrade their skills, and women who will seek professional training in order to re-enter the labour force (or even participate for the first time) after raising families.

The Committee also believes that job opportunities for graduates of economics programs are, and will remain, excellent. Committee members in the business and government sectors were very positive about employment possibilities for people with economics training, particularly when combined with management and communication skills. The survey of organizations carried out in preparing the original program also supports this belief.

Given strong student demand for economics programs and the positive employment outlook, the Committee believes the question of duplication of programs in other Ontario educational institutions is unimportant. To some extent, the proposed program in Applied Economics resembles economics programs offered by other institutions, although Committee members felt, some quite strongly, that the emphasis on training in written communication, research methods, data sources and the provision for an internship period, did differentiate the proposed program at Ryerson from those offered elsewhere. However, even if these differences are not great, the Committee feels there is no unnecessary duplication.

Finally, the Committee is satisfied that the proposed program is fully consistent with Ryerson's polytechnic role and aims to provide career-oriented training. However, members also emphasized the importance of insisting on the highest of academic standards so that graduates of the program would be able to go on to advanced studies should they so decide, either immediately or after working for a period of time.

In summary, the Committee is convinced that there is a need for more university level programs in economics and for programs that include practical training through internships. If Ryerson can provide its proposed program in Applied Economics without undue additional cost, the Committee strongly recommends that it do so.

In the event that the Program is implemented, the Committee has the following supplemental recommendations:

1. Given the important contribution that internship can make to the training process and to employability, the Committee recommends that, if resources permit, two summers of internship be included in the Applied Economics program.
2. Given the potential demand for professional training to upgrade the skills of people already working, the Committee recommends that every effort be made to make the Applied Economics Program available to part-time students.

84-VII Graduate Program Funding -

Management Science/Systems (PhD), McMaster University;
 Administrative Studies (PhD), York University;
 Art History (MA), York University;
 Business Administration (MBA), Laurentian University;
 Social Work (MSW), York University;
 Linguistics (PhD), University of Ottawa;
 Economics (PhD), York University;
 German (MA), University of Western Ontario;
 Romance Languages (MA), Wilfrid Laurier University;
 French (MA), University of Windsor

Introduction

In Advisory Memorandum 84-II, Council indicated that it hoped to be able to phase in the offering of its funding advice on new graduate programs on an annual basis rather than several times a year. This was to be accomplished by clearing the backlog of program proposals through an advisory memorandum in the fall of 1984. This proved not to be possible. Council, therefore, in this memorandum initiates the practice of submitting annual advice on graduate program approvals, as outlined in Advisory Memorandum 83-VIII.

In this memorandum, Council offers advice on seven new graduate programs and three existing graduate programs. At the request of the Ministry, Council also offers for the first time a recommended weight for each master's program - it being understood that all doctoral programs, as outlined in the Ministry's *Operating Formula Manual*, will be in Category 8, with a weight of 6, or therefore, 2 per term.

The Fifth Criterion

Council's fifth interim funding criterion for new graduate programs is: "That the program is deserving of funding even in a time of economic constraint". In response to several enquiries from within the system concerning how this criterion is addressed, Council outlines below the factors which it takes into account in making its judgement.

Prior to the acceptance of Advisory Memorandum 83-VIII, the concept of funding approval in a time of economic constraint was not an explicit criterion, but rather was understood as something which arose naturally out of Council's duty to balance fiscal realities and new initiatives.¹ However, it is now an explicit criterion, and from Council's viewpoint it involves the weighing of three factors.

First, Council must evaluate the costs involved for an institution in offering a new program. The need for additional capital, equipment and instructional resources must be examined. Council's support of the provision of formula funding for a program should not be construed as an endorsement of an institution's subsequent request for capital funding associated with a program. In an era of straitened financial resources, Council expects that universities should, in establishing a new graduate program, be building upon existing discipline strengths and resources. Therefore, normally there should not be any need for the addition of significant new resources.

In establishing a new graduate program there may, however, be some need to shift or add on resources within the institution in order to maintain the quality of the undergraduate enterprise. For instance, a greater undergraduate teaching workload might be placed on some instructors as others become more involved in graduate teaching and supervision; and, as well, more teaching assistants, and additional faculty may be required. There are, therefore, institutional pressure-points which may

1. Letter from Dr. W. C. Winegard to Dr. E. J. Monahan, October 30, 1979.

have to be faced involving the assignment of teaching priorities, the evolution of departments and the overall configuration and so deployment of resources within an institution.

There is also an impact on the university system when a new program is funded. This occurs in two ways: The additional eligible graduate Basic Income Units (BIUs) generated can result in the overall graduate BIU value being diluted and consequently a redistribution of the total graduate BIU funds available. This affects the resources available to institutions to offer their existing array of programs.

As well, this redistribution has an effect on the adequacy of Government funding for existing and new programs.

In summary then, in addressing the fifth criterion, Council weighs the following factors:

- impact on the institution offering the new program;
- impact on the university system; and
- impact on Government funding.

The fifth criterion must always be balanced in relation to the other four funding criteria in order for Council to make judgements about individual new program initiatives. Societal needs must be measured, and Council must keep in mind the public's concern for both accessibility (regional and provincial) and quality (of both existing and new programs). As well, the effect of the introduction of a new program on other existing programs in the same discipline must be examined. In some cases, for example, a new program may be superior to an existing program.

I. New Graduate Programs

Management Science/Systems (PhD), McMaster University

Council has reviewed the advice of its Academic Advisory Committee regarding McMaster's new doctoral program in Management Science/Systems (see Appendix A). As noted in Appendix B of Advisory Memorandum 83-II:

In Advisory Memorandum 78-III, Council postponed making any recommendation on any of three new doctoral programs in Business until such time as it had received a report from the Council of Ontario Universities (COU) "regarding the plans for doctoral studies in Business in Ontario and how these plans fit in with the objectives for the first quinquennium set out by Council in Advisory Memorandum 77-VII". COU was unable to submit such a report, and it was agreed, after the abandonment of the sectoral approach to graduate planning, that the individual institutions could forward their respective doctoral programs in Business directly to Council for consideration.²

Council accepts that McMaster has sufficiently strengthened its program so that the envisioned cooperation with York and Toronto is no longer a crucial factor in the consideration of this program.

Council notes the recommendation of the external consultant that:

OCUA should review every 5 years the situation with respect to enrolment levels and program emphasis at McMaster and York.

Council takes this recommendation under advisement. Council expects COU to look carefully at both the enrolment levels and program emphases of the McMaster and York programs at the time these programs next undergo their respective periodic appraisals.

2. Ontario Council on University Affairs, *Tenth Annual Report, 1983-84*, p. 22.

As the requisite teaching and library resources have been in place for some time now, it does not appear that there are any significant new resource implications for McMaster arising from the proposed approval of the program. The program, since it is a doctoral program, falls into Category 8 for formula funding purposes, with a weight of 6 or 2 per term. The same formula funding arrangements as accorded the new doctoral program in Business at Queen's should apply to this program (see Advisory Memorandum, 83-II), and so a certain degree of retroactivity should be allowed.

Council notes that since 1981 the number of vacancies for academic positions in Business has risen from 200 to 244 in 1984, an increase of 22%. Given the increasing number of academic staff vacancies in the Business field, and some specifically in the Management Science/Systems area, Council believes that this program should be funded in a time of constraint so as to help ensure the continuing quality of existing undergraduate and graduate Business programs.

Accordingly, Council *recommends to the Minister*:

OCUA 84-19

FUNDING FOR THE DOCTORAL PROGRAM IN MANAGEMENT SCIENCE SYSTEMS AT McMASTER UNIVERSITY FOR 1986-87

THAT the PhD program in Management Science/Systems at McMaster University be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1983-84 on, be included in the moving average for the university.

Administrative Studies (PhD), York University

Council has reviewed the advice of its Academic Advisory Committee with respect to York's new doctoral program in Administrative Studies (see Appendix A). Students have been enrolling in this program since 1971, but, due to a series of funding embargoes, assessments and recommendations by COU's Advisory Committee on Academic Planning (ACAP) and Council's Advisory Memorandum 78-III, the program was not officially forwarded to Council until January, 1983.

Council accepts the Academic Advisory Committee's argument that exceptional circumstances, involving societal need, exist such that a case for justifiable duplication can be made with respect to this program. As York has noted:

So acute is the shortage of Canadian graduates in this field that the federal Ministry of Employment and Immigration has granted all Business schools an exemption from the "Canadians and landed immigrants only" rules that otherwise apply to advertisements of faculty positions.³

York has offered this program since 1971 without formula support at a cost of approximately \$300,000 per year. Council, in recommending this program, believes that some measure of retroactivity should be included in the formula funding awarded.

Council is satisfied that this program meets all of Council's funding criteria, including Council's fifth criterion of funding in a time of economic constraint.

Funding in such a time is justified on the same grounds as those outlined above for the McMaster program.

Accordingly, Council *recommends to the Minister*:

OCUA 84-20

FUNDING FOR THE DOCTORAL PROGRAM IN ADMINISTRATIVE STUDIES AT YORK UNIVERSITY FOR 1986-87

THAT the PhD program in Administrative Studies at York University be deemed

3. Letter from Dr. David Bell to Mrs. Marnie Paikin, February 27, 1984.

eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1983-84 on, be included in the moving average for the university.

Art History (MA), York University

Council has reviewed the advice of its Academic Advisory Committee with respect to York's new master's program in Art History (see Appendix B). Council is satisfied that the program has met the first four of Council's funding criteria. As well, the program should be funded, even in a time of constraint, because it meets a small, but well-defined need for specially trained Canadian-oriented curatorial experts and, as well, because the program does not duplicate other funded programs in this field. As this is a master's level Fine Art program it falls in Category 6 for formula weighting purposes.

Accordingly, Council *recommends to the Minister*:

OCUA 84-21

FUNDING FOR THE MASTER'S PROGRAM IN ART HISTORY AT YORK UNIVERSITY FOR 1986-87

THAT the MA program in Art History at York University be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1985-86 on, be included in the moving average for the university - the program to be in Category 6, with a weight of 3, or 1 per term, as outlined in the Ministry's *Operating Formula Manual*.

Business Administration (MBA), Laurentian University

Council has reviewed the advice of its Academic Advisory Committee concerning Laurentian's new master's program in Business Administration (see Appendix C). Council is satisfied that the proposal meets the first four of Council's funding criteria. In particular, Council endorses the Committee's argument that the strong need for regional accessibility produces a case for justifiable program duplication.

It is Council's understanding that Laurentian would need to hire additional staff were it to operate the second year of the program on a full-time basis. Therefore, offering the program in its present format is consistent with the existing strengths and resources available to the program.

As the program is meeting a critical need for the development and upgrading of regional business skills, Council believes that it should be funded even in a time of constraint. As this is a master's-level Business Administration program, it can be classified under Category 5 for formula weighting purposes.

Accordingly, Council *recommends to the Minister*:

OCUA 84-22

FUNDING FOR THE MASTER'S PROGRAM IN BUSINESS ADMINISTRATION AT LAURENTIAN UNIVERSITY FOR 1986-87

THAT the MBA program at Laurentian University be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1985-86 on, be included in the moving average for the university - the program to be in Category 5, with a weight of 2, or 1 per term, as outlined in the Ministry's *Operating Formula Manual*.

Social Work (MSW), York University

Council has reviewed the advice of its Academic Advisory Committee regarding York's new master's program in Social Work (see Appendix D). Council finds itself in agreement with the Committee's advice concerning the first four of Council's funding criteria. Council accepts that there is a strong argument for having another master's

program in the Toronto area, which is offered exclusively on a part-time basis. In fact, Council believes that this is the strongest argument for funding the program in a time of economic constraint. Therefore, funding should be conditional on York's maintaining an exclusively part-time enrolment. Like other master's program's in Social Work, this program falls into Category 7 for formula weighting purposes.

Accordingly, Council *recommends to the Minister*:

OCUA 84-23

FUNDING FOR THE MASTER'S PROGRAM IN SOCIAL WORK AT YORK UNIVERSITY FOR 1986-87

THAT the MSW program in Social Work at York University, as it is to be offered strictly on a part-time basis, be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1985-86 on, be included in the moving average for the university - the program to be in Category 7, with a weight of 4, or 1.333 per term, as defined in the Ministry's *Operating Formula Manual*.

Linguistics (PhD), University of Ottawa

Council has examined the advice of its Academic Advisory Committee concerning the new doctoral program in Linguistics offered by the University of Ottawa (see Appendix E). Council accepts the advice of the Committee with respect to the first four of Council's funding criteria. Council is persuaded that this program should be funded even in a time of economic constraint because this will be only one of two such doctoral programs in Ontario, the only one of a bilingual nature and the only one with its particular academic orientation.

Accordingly, Council *recommends to the Minister*:

OCUA-84-24

FUNDING FOR THE DOCTORAL PROGRAM IN LINGUISTICS AT THE UNIVERSITY OF OTTAWA FOR 1986-87

THAT the PhD program in Linguistics at the University of Ottawa be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1985-86 on, be included in the moving average for the university.

Economics (PhD), York University

Council has reviewed the advice of its Academic Advisory Committee regarding the new doctoral program in Economics at York University (see Appendix F). Council endorses the Committee's findings that the program does not meet all of Council's funding criteria.

Accordingly Council *recommends to the Minister*:

OCUA 84-25

FUNDING FOR THE DOCTORAL PROGRAM IN ECONOMICS AT YORK UNIVERSITY

THAT the PhD program in Economics at York University be deemed ineligible for formula support.

II. Existing Graduate Programs

In Advisory Memorandum 83-VIII, Council indicated that funding should be withdrawn from any existing graduate program which failed:

- a) to be of acceptable academic quality, as certified by the Council of Ontario Universities (COU), and/or,
- b) to meet a justifiable need.⁴

4. Ontario Council on University Affairs, *Tenth Annual Report, 1983-1984*, p. 74.

Also, as indicated in Advisory Memorandum 83-VIII, COU has adopted a new system for the periodic appraisal of existing programs. In this process, a program is classified in one of the following categories:

Category "a":

Programs that have achieved a level of good quality and which are expected to retain that level of quality over the next seven year period.

Category "b":

Programs that have achieved a level of good quality at the time of the appraisal, but for which it was expected that problems would develop before the next seven-year review, for example, due to retirements of senior faculty. Such programs are approved to continue but the university is asked to submit a report, normally within two to four years, on the steps it has taken to maintain the quality.

Category "c":

Programs that require minor improvements to meet the quality standard. Such programs receive conditional approval at the time of appraisal and full approval when the Appraisals Committee is satisfied that the improvements have been made.

Category "d":

Programs that fail to meet the quality standard. Such programs require major improvements to achieve the required level, such as the addition of a number of new faculty or significant new library or laboratory resources. The university will cease admitting students to the program until it has been successfully reappraised.⁵

A university has the option of asking either that a program be deferred for one year or withdrawn altogether from the process of appraisal. If a program is deferred, it is deferred for one year only, and then must be appraised in the regular manner. However, if a program is withdrawn the university must cease admitting new students to the program.

In the 1983-84 annual report of the Ontario Council on Graduate Studies (OCGS) no programs were reported as falling in the "d" category; there was one deferral; and three programs, at the individual requests of the universities involved, were withdrawn from the appraisal process. In the case of these three programs, as COU cannot certify that they are of acceptable academic quality, Council believes that it must recommend that funding be withdrawn.

Accordingly, Council *recommends to the Minister:*

OCUA 84-26

FUNDING FOR THE MASTER'S PROGRAM IN GERMAN AT THE UNIVERSITY OF WESTERN ONTARIO, THE MASTER'S PROGRAM IN ROMANCE LANGUAGES AT WILFRID LAURIER UNIVERSITY AND THE MASTER'S PROGRAM IN FRENCH AT THE UNIVERSITY OF WINDSOR

THAT enrolment in the MA program in German at the University of Western Ontario, the MA program in Romance Languages at Wilfrid Laurier University and the MA program in French at the University of Windsor be deemed ineligible for formula support, commencing in 1985-86.

Council will continue to monitor the quality of, and the need for, existing funded graduate programs, and will advise accordingly each year.

M. Paikin

Chairman

February 22, 1985

5. Ontario Council on Graduate Studies, *Report to the Ontario Council on University Affairs — Appraisal Results*, 1983-84, p. 2.

**ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE**

**Doctoral Program in Management Science/Systems (PhD),
McMaster University and Doctoral Program in
Administrative Studies (PhD), York University -
New Graduate Programs Considered for Formula Funding**

On March 4, 1983, in recommending the new doctoral program in Management at Queen's University for formula funding approval, the Committee indicated to Council that it would be reviewing together the New York and McMaster doctoral programs in Business.

The Committee was initially concerned that the cooperation envisioned several years earlier by COU for doctoral Business studies among York, McMaster and Ontario had not materialized. The Committee wished time to explore this and other matters further. Council accepted the Committee's advice. The Committee now reports on its consideration of these two programs.

First the Committee requested the Chairman of OCUA to invite each institution involved to comment on the types of cooperation which existed among the three universities. On May 2, 1983, the Chairman of Council specifically asked each university to comment on a 1977 document entitled *Proposed Basis for Cooperation among McMaster, Toronto and York Universities in Ph.D. Programmes in Management*. The document had been submitted to COU by the Business faculties at McMaster, Toronto and York in response to a recommendation contained in the 1974 COU Advisory Committee on Academic Planning's (ACAP) Discipline Assessment Report on Business. The institutional responses to the report were not completed until late fall of 1983.

The 1977 report proposed that there be cooperation in four areas: seminars and courses, admissions, examinations and thesis committees. It also recommended that a special fund for meeting the expenses of cooperation be established so that an outstanding centre for PhD work in Business could be established through the pooling of the resources of the three universities.

The following is a brief summary of the institutional responses concerning cooperation today:

Seminars and Courses

- i) McMaster offers a seminar in management science and information systems which is open to Toronto and York students. A joint seminar was conducted five times between 1976 and 1981, but was discontinued due to financial constraints for McMaster, which funded it 3 out of 5 times and the reluctance of York and Toronto to be major contributors to the seminar since so few of their students actually participated.
- ii) York and Toronto have since 1977 conducted a jointly funded seminar in marketing, with students and faculty from both institutions participating. The seminar runs for 26 weeks.
- iii) There is also a jointly funded visiting speakers' series in marketing, which has been in existence since 1981.
- iv) In Finance, York students have, since 1978, been required to take a specific three-course sequence within the Toronto program. Toronto students may also soon be able to take a York course in Finance.
- v) York's Finance area has held a series of weekly seminars/ research colloquia and Toronto students are invited to these. There are also faculty workshop exchanges.
- vi) There is some limited cross-enrolment of students in Organizational Behaviour at York and Toronto, and there is a joint speakers' series in this area and in Policy.

- vii) Toronto students enrolling in York courses have usually been in International Marketing and International Business.
- viii) There has been very limited, if any, enrolment of McMaster students in York and Toronto courses or vice versa.

Admissions

No common admissions standard has been devised due to the differences among the three programs. McMaster, however, would see some merit in exploring this subject if it ever expanded its areas of emphases within its Business program. The 1977 recommendation that there be annual meetings to review the compatibility of standards among the programs was not acted upon.

Comprehensive Examinations and Thesis Supervision

The concept of common comprehensive examinations was never really explored by the institutions involved. There is some cooperation between Toronto and York in this area, but McMaster because of the specialized nature of its program has not engaged in similar cooperative efforts. Some York professors have sat on Toronto thesis committees and vice versa.

The review of program cooperation, therefore, indicates that some cooperation exists between York and Toronto, but very little exists which involves all three institutions. Three factors appear to have militated against tripartite cooperation:

- a) the highly specialized nature of the McMaster program,
- b) the physical distance between the cities of Toronto and Hamilton, and
- c) the fact that no "cooperation fund" was established.

McMaster's comparatively small enrolment would suggest that greater cooperation should occur. The Committee, however, is willing to accept McMaster's view that:

... several of the ideas regarding cooperation formulated about a decade ago have little relevance now and should not be given much weight. To illustrate, at that time we at McMaster were discussing a broadly based Ph.D. in Business. What we have implemented instead is a specialized Ph.D. in Management Science based on a strong research group. Clearly the scope for cooperation is thereby sharply delimited.¹

As well, the Committee notes that McMaster has, since 1977, bolstered its faculty and research strength in Management Science/Systems from seven faculty members to twelve. It, therefore, could reasonably be argued that to be viable McMaster's program does not necessarily require the degree of inter-institutional cooperation once envisioned.

The Committee's findings with respect to the application of Council's funding criteria are summarized below:

1. ACADEMIC APPRAISAL

The Council of Ontario Universities (COU) has certified that the programs have passed rigorous academic appraisals and at the time of the appraisals did not require any improvements. The York program was appraised originally in 1971, but in 1983 it underwent a periodic appraisal by COU and was classified as an "a" program, i.e., one that has "achieved a level of good quality" and is "expected to maintain that level of quality over the next seven year period". The McMaster program was appraised successfully in 1978 and underwent a periodic appraisal in 1983, achieving an "a" rating.

1. Letter from Dr. Alvin A. Lee to Dr. B. C. Matthews, July 28, 1983.

2. NEED

The Committee in its March 4, 1983 report to Council, summarized, as follows, the historical situation with respect to new doctoral programs in Business:

In Advisory Memorandum 78-III, Council postponed making any recommendation on any of three new doctoral programs in Business until such time as it had received a report from the Council of Ontario Universities (COU) "regarding the plans for doctoral studies in Business in Ontario and how these plans fit in with the objectives for the first quinquennium set out by Council in Advisory Memorandum 77-VII". COU was unable to submit such a report, and it was agreed, after the abandonment of the sectoral approach to graduate planning, that the individual institutions could forward their respective doctoral programs in Business directly to Council for consideration.

Subsequent to Council's 1978 mini-embargo on new doctoral programs in Business, ACAP issued two reports, one in 1979 and another in 1980, in which ACAP indicated that it could not certify that the three new doctoral programs in Business were consistent with OCUA's objectives and funding criteria for the first graduate planning quinquennium.

The Academic Advisory Committee, in recommending approval of the Queen's program in 1983, stated that:

With increasing enrolment in Business and Business-related subjects at the master's and undergraduate levels, the need for qualified academics is most urgent if the quality of the programs and the quality of the graduates of the programs are to be maintained. We are also convinced that there are a number of openings in business and government for graduates of this type of program.²

The Committee took this statement as a starting-point in its analysis of the need for more doctoral programs in Business.

There are significant differences between the York and McMaster programs. The Committee eventually concluded that an acknowledged expert in the field should be engaged in order to examine the respective orientations of the programs and whether the programs met a societal need and student demand. The Committee, therefore, recommended to Council that an external consultant be engaged to review the programs with respect to societal need. Council agreed with this recommendation, and Professor Edward A. Silver, professor of Management at the University of Calgary, was engaged as the external consultant. Professor Silver submitted his report on September 26, 1984.

The Committee found Professor Silver's report to be helpful. Professor Silver summarized his report in the following manner:

In summary, it would appear that there is and will be ample demand to absorb the projected rates of graduation from the two programs, subject to the following qualifications. First, at McMaster care must be taken to ensure that a reasonable proportion of the students major in Systems as opposed to an overwhelming majority being in Management Science. Second, at York there appears to already be a tendency to exceed projections, thus a monitor on numbers is recommended. Moreover, at York care must be taken to avoid a marked imbalance within the different areas of specialization, specifically an over-emphasis in the Organizational Behaviour area as the latter could conceivably lead to eventual problems in the placement of some graduates.³

2. Ontario Council on University Affairs, *Tenth Annual Report*, 1983-84, p. 22.

3. Professor Edward A. Silver, *Evaluation of the Market Needs Associated with the Business Doctoral Programs at McMaster and York Universities*, September 26, 1984, p. 1.

The Committee strongly endorses Professor Silver's views on the societal need for the programs and the need for York and McMaster to monitor their program carefully in the ways recommended.

Professor Silver also makes the following salient points:

- a) It is unlikely, because of currency differences and the availability of openings in the United States that Canada will be able to continue to fill faculty Business positions with Americans.
- b) There are an estimated 244 unfilled full-time tenure-track faculty positions in Business across Canada in 1984-85, or about 5 positions per institution. The estimated openings per field are:

Function/Discipline	Estimated Opening
Accounting	62
Management Information Systems	32
Finance	26
Marketing	28
Operations Research/Management Science and Production/Operations Management	23
Management/Organizational Behaviour	32
Industrial Relations	11
Corporate Strategy/Business Policy	9
Unallocated	21
TOTAL	= 244 ⁴

Professor Silver estimates that there will be three doctorates awarded per year at McMaster and six at York. (However the Committee notes that last year only seven students graduated from doctoral Business programs in Ontario, including York's and McMaster's programs.)

- c) An oversupply of graduates from Business programs is unlikely to occur as there were only 18 students graduating across Canada in 1982, the latest year for which statistics are available.
- d) OCUA should review every 5 years the situation with respect to enrolment levels and program emphases at McMaster and York.

Because of the critical shortages of Business faculty now and in the foreseeable future, two more doctoral programs are warranted.

The Committee is satisfied that there is a societal need for both programs, and that, with appropriate inducements, there will be a greater student demand for the programs. (There are presently 21 full-time and 9 part-time students enrolled in the York program and seven full-time and three part-time students in the McMaster program.)

3. UNIQUENESS

The McMaster program is unique in its degree of concentration on Management Science and Information Systems. The York program is not significantly different from some of the other programs in the province, but given the situation with respect to the societal need for doctoral graduates, the Committee believes that this is a case of justifiable duplication.

4. A survey conducted in 1983 by the Canadian Federation of Deans of Management and Administrative Studies resulted in an estimate of 235 unfilled full-time tenure-track positions. Professor Silver, on the basis of his own representative telephone survey estimates that this figure of 235 should now be increased by 4% or 9 more positions.

4. AIMS, OBJECTIVES AND EXISTING STRENGTHS

The Committee is satisfied that both programs are consistent with the aims, objectives and existing strengths of their respective institutions. Both programs have been in existence for many years, and the institutions involved have made a significant commitment over the years from their existing resources in order to continue to offer the programs.

These programs have appeared consistently in each institution's five-year graduate plans.

5. FUNDING

The Committee, therefore, recommends to Council that:

the doctoral program in Administrative Studies at York University and the doctoral program in Management Science/ Systems at McMaster University be recommended by Council as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

January 9, 1985.

ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE

Art History (MA), York University -
New Graduate Program Considered for Formula Funding

On March 2, 1984, York University requested that Council consider for funding approval its new Master's program in Art History. Council, according to established procedures, referred the program to its Academic Advisory Committee. The Committee's findings with respect to the application of Council's funding criteria are summarized below:

1. ACADEMIC APPRAISAL

The Council of Ontario Universities has certified that the program has passed rigorous academic appraisal and, at the time of appraisal, did not require any improvements.

2. NEED

In assessing the societal need for the program, the Committee noted that the emphasis of the program is directed towards the student planning a professional career in Art History immediately upon completion of the M.A.:

To this end, the York programme combines academic and "practical" training. Our graduates are being prepared to assume positions in the educational departments of large museums and galleries, to act as guest curators of smaller galleries (both private and public), to serve as art consultants or advisors, agents or critics, depending on the programme focus they choose.¹

York advises that the only two graduates of the program currently hold curatorial positions at the National Film Board and a Calgary museum. Student research projects include: a study of the Samuel Sarick Collection of Inuit Drawings; documenting nineteenth century Southern Ontario architecture; and the curating of various works by Canadian artists.

Since the program's inception in 1981, there has been an average of 13 applicants per year. There have been on average four new registrants per year and total enrolment for 1984-85 stands at 10 students. Since the program's inception, the number of qualified applicants has greatly exceeded the number of candidates admitted.

The Committee is satisfied that there is both a societal need and student demand for the program.

3. UNIQUENESS

Until 1982 when an Art History program at Queen's University was approved for funding, the University of Toronto offered the only funded Art History program in the Province. Both of these programs emphasize Ancient, Medieval, Renaissance, Baroque and Modern studies. The Queen's program also includes some emphasis on Canadian Art. The program at York is solely:

... designed to promote Art History with a Canadian concentration by fully acknowledging this country's increased interest in problems of cultural

1. York University, *Response to OCUA Request for Additional Information*, November 29, 1984, p.1.

heritage, while addressing gaps in many aspects of contemporary Canadian artistic life which current Canadian art historical study fails to fill.

The program focusses on the Canadian heritage in the visual arts. This heritage is defined as works of art made by Canadians and works which have been brought to Canada and . . . found a permanent home here.²

The program is specifically designed to meet the needs of students wishing to pursue professional, rather than academic, careers in Art History, but ensures that those wishing to enrol in a doctoral program will be qualified to do so.

The Committee is satisfied that the program is unique and does not duplicate the programs at the University of Toronto and Queen's University.

4. AIMS, OBJECTIVES AND EXISTING STRENGTHS

York is well-known for its strength in the field of Fine Arts, at both the undergraduate and graduate levels. It was, therefore, able to draw on the resources of highly qualified faculty in other fields, such as Visual Arts, when establishing its Master's program in Art History. As well, the faculty associated with the program have the particular academic and professional expertise to instruct and supervise students in Canadian Art History.

The program is included in the institution's five-year graduate plan, and the Committee is satisfied that the program is consistent with the aims, objectives and existing strengths of the University.

5. FUNDING

The Committee, therefore, recommends to Council that:

the master's program in Art History at York University be recommended by Council as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

January 9, 1985

2. York University, *Funding Submission - Art History*, March 2, 1984, p. 2.

**ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE**

**Master's Program in Business Administration (MBA),
Laurentian University - New Graduate Program
Considered for Formula Funding**

On March 5, 1984, Laurentian University requested that Council consider for funding approval its new graduate program in Business Administration. Council, according to established procedures, referred the program to its Academic Advisory Committee. The Committee's findings with respect to the application of Council's funding criteria are summarized below:

1. ACADEMIC APPRAISAL

The Council of Ontario Universities has certified that the program has passed a rigorous academic appraisal and at the time of appraisal did not require any improvements.

2. NEED

The Committee considered several important factors in relation to this criterion. Since 1970 Laurentian has offered a Diploma program in Business Administration. This program has been equivalent to the first year of an MBA. The program has been receiving formula funding and other universities have admitted graduates of this program into the second year of their MBA programs, though sometimes a student may have been required to complete additional courses after admission to meet the needs of a particular program. The Diploma program had average enrolments of 10 full-time and 61 part-time students each year, with satellite part-time programs offered in Timmins, North Bay and Sault Ste. Marie. There appears to have been a consistent student demand for the Diploma program.

To determine the need for the conversion from a diploma offering to a degree offering, Laurentian conducted a survey in 1979 of its Diploma graduates. Laurentian received 410 replies indicating that they would be interested in obtaining an MBA; 370 of that number indicated their preference for pursuing the degree on a part-time basis and of that number 351 said that they would only be able to pursue the program if it were offered in Sudbury. The Committee would have preferred to look at the results of a more current survey, but in the absence of these results, it is satisfied that the situation has probably not changed much since 1979.

The Committee also takes note of the fact that in 1982 Central Michigan University sought to offer an MBA program through Cambrian College. This initiative was withdrawn due to Laurentian's announced intention of offering an MBA.

There will be a demand for the program from those already employed in the region who wish to further their knowledge of business administration and apply this in the workplace to their own and society's benefit. As well, Bachelor of Commerce graduates and holders of other undergraduate degrees will also likely enrol in the program. Of those currently in the program, 70% are from Sudbury and 30% are from other centres in North Eastern Ontario. There are no visa students in the program. The Diploma designation will be maintained for students who achieve a "C" average in the first year of the program. Only those who obtain at least a "B" average will be admitted to the second year of the program. Those students who, prior to September 1983, had obtained a Diploma, will be eligible for admission to the second year of the program.

The Committee is satisfied that there is a student demand and societal need for the program.

3. UNIQUENESS

Though the second year of the program will be offered only on a part-time basis, there are no other significant differences between the Laurentian program and other MBA programs in the province. The Committee believes, however, that the need for regional accessibility to the program is important enough so as to override concerns about program duplication. It must also be remembered that the first year of an MBA program, through the Diploma offering, has been offered and funded for many years at Laurentian. This program will not significantly broaden MBA offerings in the province, but it will fill a societal need in Sudbury and Northeastern Ontario.

4. AIMS, OBJECTIVES AND EXISTING STRENGTHS

As mentioned, Laurentian has been operating a Diploma program in Business Administration since 1970. The requisite teaching-staff and other resources are presently in place. The development of an MBA at Laurentian has been part of the institution's plans for many years and is in line with the overall aims and objectives of the university. The program is included in the institution's five-year graduate plan.

5. FUNDING

The Committee, therefore, recommends to Council that:

the master's program in Business Administration at Laurentian University
be recommended by Council as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

December 10, 1984

**ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE**

**Master of Social Work (MSW), York University -
New Graduate Program Considered for Formula Funding**

On July 31, 1984, York University requested that Council consider for funding approval its new Master's program in Social Work. Council, according to established procedures, referred the program to its Academic Advisory Committee. The Committee's findings with respect to the application of Council's funding criteria are summarized below:

1. ACADEMIC APPRAISAL

The Council of Ontario Universities has certified that the program has passed a rigorous academic appraisal and at the time of appraisal did not require any improvements.

2. NEED

In assessing the need for another Master of Social Work (MSW) program in the province the Committee considered York's claims that their new program will address specifically the needs of Metropolitan Toronto's multicultural society, and will meet the educational needs of Bachelor of Social Work (BSW) graduates who are employed and, therefore, do not have access to full-time graduate programs in Social Work. York's program is to be offered only on a part-time basis.

The Committee acknowledges the relevance to Metropolitan Toronto of the multicultural orientation of the curriculum. However, in assessing the criterion of "Need", the part-time nature of the program is considered to be a more persuasive factor than its multicultural focus. The Committee notes that the other MSW program in the Toronto area (at the University of Toronto) is offered only on a full-time basis. Therefore, York's program is the only one available for those social workers in the Toronto area who wish to further their knowledge and upgrade their skills.

The student demand for York's part-time MSW program, which began in September 1984, is quite evident. Over 100 applications were received and although 75 met the admission requirements for the program, enrolment was limited to 12 highly qualified students. Each of the students admitted to the program has at least seven years' experience in the social work field and all but one of them have a BSW. The enrolment is limited to an intake of 10-15 students per year, and the Committee is confident that the ratio of applicants to places available in the program will continue to remain high.

The Committee is satisfied that there is both a societal need and student demand for the program.

3. UNIQUENESS

The Committee recognizes that York's program contains several innovative features, including an exclusively part-time orientation, a multicultural focus and a required thesis, which must be in the area of multicultural social work.

The program at York is structured so as to prepare social work professionals in one of three areas of specialization: Mental Health, Family and Children's Services and Social Policy and Planning. While these areas of specialization are covered in some of the other six MSW programs currently offered in the province, York's program is unique in that it emphasizes multiculturalism in the course-work, practicum and the compulsory thesis components.

As noted above, the MSW program at the University of Toronto is offered on a full-time basis only. The other MSW programs in Ontario - at Wilfrid Laurier, Carleton, Windsor and the Master of Arts in Social Welfare Policy program at McMaster - have

both full-time and part-time students. However, the York program is the only one designed specifically for part-time students.

4. AIMS, OBJECTIVES AND EXISTING STRENGTHS

York currently offers a Bachelor of Social Work program and the requisite teaching-staff and other resources are in place. The MSW program will draw on the existing strengths of other graduate programs (Sociology, Social Anthropology, Environmental Studies and Political Science), where a number of faculty are involved in research and teaching related to multiculturalism. The York MSW program is included in the university's five-year graduate plan.

5. FUNDING

The Committee, therefore, recommends to Council that:

the master's program in Social Work at York University be recommended by Council as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

January 9, 1985.

ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE

Doctoral Program in Linguistics (PhD),
University of Ottawa - New Graduate Program
Considered for Formula Funding

On July 31, 1984, the University of Ottawa requested that Council consider for funding approval its new Doctoral program in Linguistics. Council, according to established procedures, referred the program to its Academic Advisory Committee. The Committee's findings with respect to the application of Council's funding criteria are summarized below:

1. ACADEMIC APPRAISAL

The Council of Ontario Universities has certified that the program has passed a rigorous academic appraisal and, at the time of appraisal, did not require any improvements.

2. NEED

In assessing the question of need, the Committee noted that, since the program's inception in 1981, students have regularly been turned away due to a lack of available places.

The University of Ottawa, in its submission, advises that graduates of the program have found employment in teaching positions at other Ontario universities, and can also expect to find employment in special education, psychology, business and government. The University of Ottawa also states that:

... the Department of Linguistics at the University of Ottawa is called upon to participate in work that ranges from language teaching through para-medical services to the new computer and information technologies ... two of its members have recently acted as consultants to an artificial intelligence project funded by the Federal Government seeking to develop an intelligent question-answer programme for specialized knowledge systems. Given the development of immersion education and the burgeoning role of information and communication technology, the demand for highly qualified participants in these and related areas can only increase.¹

The Committee is satisfied that there is a student demand and societal need for the program.

3. UNIQUENESS

The only other linguistics program in Ontario is at the University of Toronto. The uniqueness of the Ottawa program lies in its bilingual nature and the Committee notes, as well, the pronounced emphasis in the program on the interrelationship between theoretical and applied linguistics. The University of Ottawa indicates that:

First among ... more specific attributes of the programme which render it unique ... must be considered the *bilingual* nature of the Ph.D. programme, which has evident advantages in the Canadian context. In addition to being submitted to formal language requirements, students are placed in a situation where the courses they take may be taught, depending on year, in either English or French. In academic terms, this contact with the two languages has important benefits, since a student working in syntax, say,

1. Request for Funding, Ph.D. Programme in Linguistics, University of Ottawa, 31 July, 1984, p. 2.

will encounter a significantly *different scientific tradition* if he does his research in and on French as opposed to English. Much the same may be said of other domains. In practical terms, moreover, students will have passed through a programme where they will have had actually worked in both languages. Once again, this experience is particularly relevant for those who will pass to the governmental or educational milieux.

Secondly, the structure of the doctoral programme emphasizes the inter-penetration and mutual reinforcement of the theoretical and the applied branches of linguistics. All students must do work in both the theoretical core and in at least one applied area, and many professors combine research in both domains. . .²

The Committee is satisfied that Ottawa's doctoral program in Linguistics is unique.

4. AIMS, OBJECTIVES AND EXISTING STRENGTHS

The University of Ottawa has established strengths in its existing master's program in Linguistics and has collateral strengths in Education and Psychology. The Committee is also aware of the importance which Ottawa attaches to its *Centre de recherche en civilisation canadienne - française* as a collateral strength, and notes that members of Ottawa's Linguistics department "are involved in sponsored research projects at the Centre dealing with the Francophone population in the Ottawa area"³. The program is included in the institution's five-year graduate plan, and the Committee is satisfied that the program is consistent with the aims, objectives and existing strengths of the University.

5. FUNDING

The Committee, therefore, recommends to Council that:

the doctoral program in Linguistics at the University of Ottawa be recommended by Council as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

January 9, 1985.

2. *Ibid.*, p. 3.

3. *Ibid.*, p. 5.

**ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE**

**Doctoral Program in Economics (PhD),
York University - New Graduate Program
Considered for Formula Funding**

On January 26, 1983, York University requested that Council consider for formula funding approval its new doctoral program in Economics. Council, according to established procedures, referred the program to its Academic Advisory Committee. The Committee's findings with respect to the application of Council's funding criteria are summarized below:

1. ACADEMIC APPRAISAL

The Council of Ontario Universities (COU) has certified that the program has passed a rigorous appraisal and, at the time of the appraisal, did not require any improvements.

2. NEED AND UNIQUENESS

In examining the question of the need for this program, the Committee began by reviewing COU's 1973 discipline assessment of Economics. In 1973, there were four doctoral programs in Economics. The consultants who conducted the review at that time felt that when doctoral enrolment in Economics in Ontario reached 220 students, and there were signs of continued growth, the desirability of establishing a fifth doctoral program should be examined.¹ Presently, there are 7 doctoral programs, including the University of Guelph's specialized program in Agricultural Economics and York's unfunded program. COU did not endorse the threshold figure of 220, which assumed a visa student enrolment of approximately 15%, but the Committee found it instructive to analyze the suggested threshold in light of the 1983-84 enrolment in Economics.

In 1972-73, the total enrolment in Economics at the doctoral level was 209, with 178 (or 86.2%) students being Canadian citizens or landed immigrants. The total doctoral enrolment in the 7 programs in the system in 1983-84 was 282 students, 178 or 64.2% of whom were Canadian citizens or landed immigrants. Clearly, despite the fact that there are at present 3 more programs than there were in 1972-73, the greater student demand for the programs has been from visa students rather than from Canadian citizens or landed immigrants.

The Committee examined existing and projected program capacities in the six funded Economics programs. After a survey of the programs involved, the Committee is convinced that there are existing unused capacities within the funded programs - certainly enough to accommodate York's current small enrolment of 15 students.

Dr. L. A. K. Watt, Executive Vice-Chairman of the Ontario Council on Graduate Studies was asked what COU's position was on York's program today in light of some of the cautions contained in the 1973 ACAP Discipline Assessment of Economics. He replied that York's new program was consistent with COU's position that:

Universities wishing to introduce small, limited-enrolment, specialized PhD programmes and able to obtain a favourable appraisal should be free to introduce such programmes. . .²

However, given that there does not appear to be a growing demand for doctoral programs in Economics from Ontario and Canadian residents, the Committee remained concerned about the need for another program whether unique or not. Therefore, the

1. Council of Ontario Universities, *Perspectives and Plans for Graduate Studies - Economics*, 1973, p. 2 of the Advisory Committee on Academic Planning Report.

2. Letter from Dr. L.A.K. Watt to Mrs. Marnie Paikin, April 4, 1984.

Committee requested that Council engage an expert external consultant in order to examine the questions of need and program uniqueness. Council endorsed the Committee's request and Professor Anthony Scott of the University of British Columbia was engaged as the consultant.

Professor Scott stated that York's special emphasis is significantly different from other programs in Ontario, but also that "it would not be very difficult for a Ph.D. student to learn at the other schools what he would apparently be routinely offered at York".³ On the question of "need", Professor Scott commented: "I would say that Ontario and Canada "need" this program, as much as they need any small, but well-established, professional training program."⁴ He was unable to indicate that there is a *definite* need for the program - something which must be documented carefully given that six funded doctoral programs already exist.

The Committee is not satisfied that the York program will meet a societal need that could not be met by the six presently funded programs in the province. As the program does not meet, in the Committee's opinion, all of Council's funding criteria for new graduate programs, the Committee, therefore, recommends to Council that:

the doctoral program in Economics at York University not be recommended by Council as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

February 13, 1985

3. Letter from Professor Anthony Scott to Mrs. Marnie Paikin, September 4, 1984, p.

4. *Ibid*, p. 5.

84-VIII Undergraduate Quasi-Professional Program Funding -

**Office Management Studies (BA), Laurentian University;
Criminology (BSocSc), University of Ottawa;
Teaching English as a Second Language (BA) and (BEd) ,
Brock University;
Music Therapy (BMT), Wilfrid Laurier University**

In this memorandum, Council offers advice on five new undergraduate quasi-professional programs. They were considered in accordance with the procedures set out in Advisory Memorandum 82-VII. In three instances, the programs were considered by Council after receiving advice from its Academic Advisory Committee. In the other two instances, Council was able to deal with the programs directly - in one case because the program was originally submitted while the undergraduate "freeze" was still in place and in the other case because the submission needed only a cursory examination.

At the request of the Ministry, Council offers advice for the first time on the weight which should be applied for each program.

Office Management Studies (BA), Laurentian University (Nipissing)

On June 15, 1982, Nipissing University College, an affiliate of Laurentian University, requested that Council consider exempting from the then existing undergraduate freeze its new program in Administrative Studies. Council referred the program to its Program Committee, which decided that the program should be circulated to the university system for comment. The institutional responses were generally supportive, but some criticisms relating to the program's content and title designation were made. No institution indicated that any existing program's viability would be threatened by the introduction of the Nipissing program, and it was felt that the new program did not duplicate existing programs. The institutional responses were reviewed by the Program Committee and circulated to Nipissing for comment.

1. PROPOSED CURRICULUM

As mentioned above, there were some concerns about the proposed curriculum. Council, however, is satisfied that the curriculum is appropriate for Nipissing. The major difference between Nipissing's program and the program upon which it is generally modelled, the Administrative Office Management Studies program at the University of Western Ontario, is that three extra full courses in office studies are designated as non-credit due to a strong feeling within Nipissing's Academic Council that "university credit should be restricted to traditional subject matter courses".¹ The other courses within the program would be composed of existing courses at Nipissing in English and Commerce along with several electives to be chosen from existing course offerings, for a total of 15 credit courses in a three-year program.

Council, however, concluded that the program's title should be changed. Subsequently, Nipissing and Laurentian concurred that "Office Management Studies" would be a more appropriate title.

2. ACADEMIC QUALITY

After approval by Nipissing's Academic Council, the program was examined by three councils at Laurentian - Social Science, Humanities and Professional Schools. It was then approved by Laurentian's Senate.

1. Letter from Dr. George J. Zytaruk to Dr. B.C. Matthews, April 12, 1983, p. 2.

3. FINANCIAL VIABILITY

The program can be offered utilizing existing resources. As the establishment, for instance, of a complete four-year program in Commerce at Nipissing would entail very significant additional resources, the decision instead to develop this program is an appropriate and realistic one. Council is satisfied that the program will be financially viable.

4. PROJECTED ENROLMENT

Nipissing projects a steady-state enrolment of fifty to sixty students, which, based on the number of local inquiries concerning the program, appears to be a sound assumption.

5. INTER-INSTITUTIONAL CO-OPERATION

Canadore College supports Nipissing's initiative in offering this program and is assisting in the development of the non-credit courses. These courses, though, will be Nipissing courses and not Canadore courses.

6. NEED - SOCIETAL AND STUDENT DEMAND

As indicated above, Council is satisfied that there will be a student demand for the program. Nipissing cites the following areas of opportunity for graduates of the proposed program:

- teaching in the CAATs in Secretarial and Business programs
- office work in the following sectors: construction, manufacturing, transportation, retail and wholesale, merchandising, publishing and communications, entertainment, finance, medical and legal services, and government.

Council is satisfied that this program will meet a regional need.

7. UNIQUENESS

As stated, there are similarities between the Nipissing and Western programs, but they are not identical. However, the regional need for the program, especially for part-time students, is an important facet of the Nipissing program.

8. LOCAL, REGIONAL SUPPORT

Council is aware of the increasing pressure on northern institutions to offer applied, "relevant" programs. This program would appear to meet some of that demand.

9. INSTITUTIONAL APPROPRIATENESS

The program is ideally designed to exploit some of Nipissing's existing array of undergraduate course offerings. Given the resources available, the program is an appropriate development.

10. FUNDING IN A TIME OF CONSTRAINT

On balance, Council believes that this program is deserving of funding in a time of constraint. It will allow more students to pursue commerce-oriented work in the North Bay area, will not involve significant additional resources, and will meet a regional need for the upgrading of skills and the demand for more applied studies. Most other institutions within the system have either endorsed the proposal or see it as not having any adverse effect on their offerings and enrolments.

Accordingly, Council *recommends to the Minister:*

OCUA 84-27

FUNDING FOR THE BACHELOR'S PROGRAM IN OFFICE MANAGEMENT STUDIES AT LAURENTIAN UNIVERSITY (NIPISSING UNIVERSITY COLLEGE) FOR 1986-87

THAT the B.A. program in Office Management Studies at Laurentian University (Nipissing University College) be deemed eligible for formula support beginning in 1986-87, and that eligible enrolment, from 1985-86 on, be included in the moving average for the university - the program to be in Category 1, with a weight of 1, as outlined in the Ministry's *Operating Formula Manual*.

Criminology (Honours B.Soc.Sc.) University of Ottawa

On October 12, 1984, the University of Ottawa requested that Council consider for funding approval its proposal for an honours bachelor of social science program in Criminology. Council dealt directly with this proposal without referring it to its Academic Advisory Committee.

The University of Ottawa currently offers a 3-year bachelor's program in Criminology and it now proposes to offer an honours program as well. Therefore, Council's consideration of the program is guided by a letter of February 9, 1983 from Dr. B. C. Matthews to Mr. S. Levy (see Appendix A) concerning a similar situation at York University. Council is of the opinion that the circumstances surrounding the Ottawa proposal are such that it falls clearly within the second category as outlined in Appendix A.

Council notes that the implementation of an honours program in Criminology at the University of Ottawa will permit students in the ordinary program to pursue their studies in greater depth and enable them to compete more effectively for employment and graduate work opportunities in the Criminology field.

In addition to the bachelor's program, Ottawa currently offers a Master's program in Criminology and a Master of Criminology (Applied). The implementation of an honours program will permit Ottawa to reorganize its two-year (6 trimesters) graduate programs along the lines of standard graduate programs in criminology of three trimesters' duration.

Ottawa projects an enrolment in the program of 55 students in 1985-86, increasing to between 85-95 students in the years 1986-87 to 1989-90. As the resource implications of the proposal are minimal and as the introduction of a fourth year will allow Ottawa to reorganize its graduate offerings in this field, Council believes that the program should be funded even in a time of economic constraint.

Accordingly, Council *recommends to the Minister:*

OCUA 84-28

FUNDING FOR THE HONOURS BACHELOR'S PROGRAM IN CRIMINOLOGY AT THE UNIVERSITY OF OTTAWA FOR 1986-87

THAT the Honours B.Soc.Sc. program in Criminology at the University of Ottawa be deemed eligible for formula support beginning in 1986-87 and that eligible enrolment, from 1985-86 on, be included in the moving average for the university - the program to be in Category 2, and the upper year's enrolment to carry a weight of 1.5, as outlined in the Ministry's *Operating Formula Manual*.

Teaching English as a Second Language (BA) (BEd), Brock University

Council has reviewed the advice of its Academic Advisory Committee concerning Brock University's new combination of programs in Teaching English as a Second Language (see Appendix B). While recognizing that the BEd program is intended to follow the BA program as a continuum of courses in training TESL students, Council notes that each degree may be awarded separately. Therefore, Council has assessed these programs separately.

Council is persuaded by the Committee's findings that the programs should be funded even in a time of economic constraint. The programs clearly build upon Brock's established initiatives in the TESL area, do not duplicate similar offerings at other universities and will meet a clear and continuing societal need and student demand.

Accordingly, Council *recommends to the Minister:*

OCUA 84-29

FUNDING FOR THE BACHELOR OF ARTS PROGRAM IN TEACHING ENGLISH AS A SECOND LANGUAGE AT BROCK UNIVERSITY FOR 1986-87

THAT the BA program in Teaching English as a Second Language at Brock University be deemed eligible for formula support beginning in 1986-87 and that eligible enrolment, from 1985-86 on, be included in the moving average for the university - the program to be in Category 1, with a weight of 1, as outlined in the Ministry's *Operating Formula Manual*.

OCUA 84-30

FUNDING FOR THE BACHELOR OF EDUCATION PROGRAM IN TEACHING ENGLISH AS A SECOND LANGUAGE AT BROCK UNIVERSITY FOR 1986-87

THAT the BEd program in Teaching English as a Second Language at Brock University be deemed eligible for formula support beginning in 1986-87 and that eligible enrolment, from 1985-86 on, be included in the moving average for the university - the program to be in Category 3, with a weight of 2, as outlined in the Ministry's *Operating Formula Manual*.

Music Therapy (BMT), Wilfrid Laurier University

Council has examined the advice of its Academic Advisory Committee with respect to Wilfrid Laurier University's new program in Music Therapy (see Appendix C). Council notes that the program is unique; enjoys the support of the Canadian Association for Music Therapy; is endorsed by other universities within the Ontario system; will not entail substantial additional resources; and will meet a defined societal need. Council is, therefore, prepared to recommend approval of this program even in a time of economic constraint.

Accordingly, Council *recommends to the Minister:*

OCUA 84-31

FUNDING FOR THE BACHELOR'S PROGRAM IN MUSIC THERAPY AT WILFRID LAURIER UNIVERSITY FOR 1986-87

THAT the BMT program in Music Therapy at Wilfrid Laurier University be deemed eligible for formula support beginning in 1986-87 and that eligible enrolment, from 1985-86 on, be included in the moving average for the university - the program to be in Category 2, and the upper year's enrolment to carry a weight of 1.5, as outlined in the Ministry's *Operating Formula Manual*.

M. Paikin
Chairman
February 22, 1985.



Appendix A

Ontario
Council on
University
Affairs

416/965-5233

7th Floor
700 Bay Street
Toronto, Ontario
M5G 1Z6

February 9, 1983

Mr. S. Levy
Assistant Vice-President
(Academic Planning)
York University
Downsview, Ontario

Dear Mr. Levy

In your letter of January 19, 1983, you raised certain questions which are matters of interpretation of Council's Advisory Memorandum 82-VII. I now have the following interpretations:

1. If a university offers a program in core arts and science at the ordinary level and wishes to offer the same program at the honours level, or vice versa, it may do so and be funded without prior recommendation by Council and approval of the Minister. The "new" offering would, however, have to be included in the institution's annual report to Council listing new programs in arts and science.
2. If a university offers a program in a quasi-professional area at the ordinary level and wishes to offer the same program at the honours level, or vice versa, it must forward the proposal to OCUA for a recommendation and Ministerial approval. Of course, Council's review in this circumstance will undoubtedly, in most instances, be of a cursory nature.
3. If a university offers an approved program in one unit (Faculty) of the institution, it may offer the same program in another unit without reporting to Council or seeking further approval.

Yours sincerely,

B. C. Matthews
Chairman

BCM:dd

(Original signed by Dr. B. C. Matthews)

Appendix B

**ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE**

**Teaching English As A Second Language (BA), (BEd),
Brock University - New Quasi-Professional Undergraduate
Program Considered for Formula Funding**

On January 3, 1984 Brock University requested that Council consider for funding approval its new, undergraduate quasi-professional programs in Teaching English as a Second Language (TESL). Council, according to established procedures, circulated the program proposals to the Council of Ontario Universities (COU) which, in turn, asked for and received advice concerning the proposals from its Vice-Presidents' Academic Group. Council referred the programs and COU's comments to the Academic Advisory Committee (AAC), and asked for specific recommendations relating to Brock's programs. The Committee's findings with respect to the programs are summarized below:

1. PROPOSED CURRICULUM

Teaching English as a Second Language (TESL) is offered in two stages. During the first three years, students must take a combined major involving theoretical courses at the bachelor's level in TESL and Linguistics and a major in one of the humanities, social science or science disciplines. Students must have a Grade 13 credit in a second language or must take at least one university-level language course. Students with a relevant degree may be accepted directly into the fourth year of the TESL program. The fourth year consists of five courses in TESL offered by the College of Education at Brock. To teach in the province of Ontario at the elementary or secondary school level, students would have to complete additional course requirements for certification. The College of Education courses cannot be credited toward an Honours BA. Rather students completing the entire four years of the TESL program will receive an Ordinary three-year BA plus a BEd degree. The fourth year of the program is the practical component.

2. ACADEMIC QUALITY OF THE PROGRAM

The Committee notes that the program has received extensive internal examination at Brock, and has been approved by the Senate.

3. FINANCIAL VIABILITY OF THE PROGRAM

The Committee believes that the resource requirements of the program are not substantial. Additional faculty are not required since they will be drawn from the existing staff of the Centre for English Languages Program (CELP), and will teach in both the BA and BEd program. The university states that the program will be financially viable and will not place a significant strain on existing resources.

4. PROJECTED ENROLMENT

For 1985-86, Brock University projects a steady-state enrolment of 110 full-time and 15 part-time students.

5. CO-OPERATION WITH OTHER POST-SECONDARY INSTITUTIONS

As there is no similar program in the Ontario university system, there is at present no inter-institutional co-operation.

6. NEED-STUDENT AND SOCIETAL DEMAND

The Committee is satisfied that there is a significant student demand for a program of this kind, considering the present enrolment of 100 full-time students and six part-time

students. With regard to societal need, the TESL Association of Ontario states that:

... the increased availability of such professional programmes in the field of Teaching English as a Second Language is of benefit to the profession as a whole. Brock University is to be commended for its attempt to address the issue of academic and professional training in this particular way.¹

The Brock program, while preparing those who wish to teach at the elementary or secondary school level in Ontario, will qualify students to teach in the community college system, language institutes and in other community-based organizations offering English as a Second Language courses. As well, graduates of the program will be qualified to teach ESL courses overseas. The opportunity to teach overseas, and so experience first-hand the various cultural and linguistic difficulties of non-native English speakers, will be of benefit to graduates of the program who choose to pursue this line of employment.

Given the multi-cultural nature of Canada and the consequent need for instruction for Canadian residents whose native tongue is not English, the Committee is satisfied that graduates of the program are likely to obtain employment.

7. PROGRAM UNIQUENESS

As noted above, no similar program exists in Ontario, and so the Committee is satisfied that the program is unique. There are TESL courses offered by other universities but none offers a complete degree program, combining theory and practice, and with the depth and breadth of the Brock program.

8. LOCAL AND REGIONAL SUPPORT FOR THE PROGRAM

In its funding submission, Brock notes the support and interest of the local Boards of Education and multi-cultural groups in the program, and the ongoing discussions in this regard between these boards and groups and the Director of CELP. Brock's staff is also involved in local TESL activities, such as "in-service workshops", colloquia and the various projects of TESL Niagara, the local affiliate of TESL Ontario.

9. INSTITUTIONAL APPROPRIATENESS

The program draws on Brock's already established strengths in its Centre for English Language Programs, its Arts and Science offerings and College of Education. A substantial number of students enrol each year in Brock's non-degree programs in English as a Second Language - there are some 40 sections per semester, with a total enrolment of about 200-250 students. The students come from over 40 different countries. Therefore, TESL students have an excellent opportunity during the practicum component of their program, i.e. in fourth year, for practical "hands-on" experience in the classroom. As well, the fourth year of the program will be offered within Brock's well-established College of Education.

The Committee also notes that Brock is apparently becoming well-known as a centre for studies in TESL. Brock has negotiated contracts with several foreign governments and institutes, including the People's Republic of China, which will be sending 15 to 25 TESL teachers to enrol in the Brock program.

As mentioned above, comment about the program was received from Vice-Presidents' Academic Group of COU. Institutional responses indicated that the program would appear to be appropriate to the university and that the program had both institutional and local community support.²

The Committee, therefore, is satisfied that the program is an appropriate one for Brock University.

1. Letter from Mr. G. Laroque to Mrs. Marnie Paikin, April 4, 1984.

2. Letter from Dr. Edward J. Monahan to Mrs. Marnie Paikin, December 10, 1984.

10. FUNDING

The Committee therefore recommends that:

Brock University's programs in Teaching English as a Second Language, having satisfied all of Council's requirements for new undergraduate quasi-professional programs, be recommended to the Minister as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

February 13, 1985

**ONTARIO COUNCIL ON UNIVERSITY AFFAIRS
ACADEMIC ADVISORY COMMITTEE**

**Music Therapy (BMT), Wilfrid Laurier University -
New Quasi-Professional Program Considered
for Formula Funding**

On March 22, 1984, Wilfrid Laurier University requested that Council consider for funding approval its new, quasi-professional, undergraduate program in Music Therapy. Council, according to established procedures, circulated the program proposal to the Council of Ontario Universities (COU) which, in turn, asked for and received advice from its Vice-Presidents' Academic Group. Council referred COU's comments to the Academic Advisory Committee and asked for specific recommendations relating to the Wilfrid Laurier program. The Committee's findings with regard to the program are summarized below.

1. PROPOSED CURRICULUM

The Canadian Association for Music Therapy endorsed the curriculum, noting that:

The course requirements appear to be well-integrated and are approached from an inter-disciplinary perspective.¹

The four-year degree program comprises 23 two-term courses of which seven must be in psychology and sociology, eleven in music and three and a half in music therapy.

2. ACADEMIC QUALITY OF THE PROGRAM

The Committee notes that the program has undergone extensive internal examination at Wilfrid Laurier University and has been approved by the Senate.

3. FINANCIAL VIABILITY OF THE PROGRAM

Wilfrid Laurier University notes in its proposal that it anticipated the need for one, full-time music therapist "by the time the third year of the program is available".² All other staff members will be drawn from existing faculties at the University. The Committee believes that the resource requirements of the program are, therefore, not substantial.

4. PROJECTED ENROLMENT

Wilfrid Laurier University plans to launch the program in 1985-86 with a projected first-year enrolment of twelve students.

5. CO-OPERATION WITH OTHER POST-SECONDARY INSTITUTIONS

As no similar program exists in Ontario's post-secondary system, co-operation with other institutions is not warranted at this time.

6. NEED - STUDENT AND SOCIETAL DEMAND

The Canadian Association for Music Therapy draws attention to the fact that:

... the only other Canadian Music Therapy training program is located in Vancouver, B.C. at Capilano College and is a two-year Community College Diploma program. It is very desirable that Music Therapy Training be made available at a university level as this will meet the educational needs

1. Letter from Ms. Valerie Ivy to Mrs. Marnie Paikin, December 1, 1984.

2. *Proposal for a Program in Music Therapy*, Wilfrid Laurier University, March 1984, p. 1.

of many students currently leaving Canada to attend universities in the United States, Britain and Europe.³

Wilfrid Laurier also notes that applications for the program received at Capilano College during the last three years totalled 300. The University expects graduates of its program to find employment working in all areas of therapy with psychologists, speech therapists and psychiatrists and it has been suggested that the training received by students of the program is particularly beneficial for work with autistic children and terminal cancer patients, and for re-educating stroke victims in the art of speech.

The Committee is satisfied that a student demand exists for the program and that graduates thereof are likely to obtain employment in their chosen field.

7. PROGRAM UNIQUENESS

As no similar program exists in Ontario, the Committee is satisfied that the program is unique.

8. LOCAL AND REGIONAL SUPPORT FOR THE PROGRAM

In the preliminary stages of setting up the program, representatives of the University met with and were supported and encouraged in their endeavour by the Canadian Association for Music Therapy, and music therapists at the Oxford Regional Centre in Woodstock. Students of the psychology program, as part of their course work, have completed field placement work through involvement with such local agencies as the Canadian Mental Health Association, local schools, the Rotary Centre and Project HEAR and these should provide appropriate locations for students of the Music Therapy program.

9. INSTITUTIONAL APPROPRIATENESS

Acknowledging the interdisciplinary nature of the program, Wilfrid Laurier University has drawn heavily on the existing strengths of its Psychology, Music, Sociology and Social Work departments. As well, comments received from COU's Vice-Presidents' Academic Group indicate that the proposal is "realistic in terms of design, expected enrolment and strategy for implementation".⁴

The Committee believes that it is appropriate for Wilfrid Laurier University to offer this program.

10. FUNDING

The Committee therefore recommends that:

Wilfrid Laurier University's program in Music Therapy, having satisfied all of Council's requirements for new, quasi-professional, undergraduate programs, be recommended as being eligible for formula funding support.

ACADEMIC ADVISORY COMMITTEE

February 13, 1985

Letter from Ms. Valerie Ivy to Mrs. Marnie Paikin, December 1, 1984.

Letter from Dr. Edward J. Monahan to Mrs. Marnie Paikin, dated August 7, 1984.

OCUA Public Meetings 1984-5

OCUA Public Meetings 1984-5

In view of the expected activities of the Commission on the Future Development of the Universities of Ontario, the Ontario Council on University Affairs cancelled its 1984 Spring Hearings, and met only with the Council of Ontario Universities.

Date	Institution or Organization and Place of Meeting
April 27, 1984	Council of Ontario Universities (Queen's Park)

**OCUA Recommendations and
Government Responses, 1984-85**

OCUA Recommendations and Government Responses, 1984-85

Recom- mendation Number	Title	Response
Advisory Memorandum 84-I:		
84-1	Compulsory Ancillary Fees	Accepted
84-2	Compulsory Ancillary Fees and the Ontario Student Assistance Program.	Accepted
Advisory Memorandum 84-II:		
84-3	Funding for the Master's Program in Visual Arts at the University of Windsor for 1986-87.	Accepted
84-4	Funding for the Master's Program in Industrial Relations at Queen's University for 1986-87.	Accepted
Advisory Memorandum 84-III:		
84-5	Government Operating Grants for 1985-86 to meet Costs of Council's Basic Objectives in Funding provincially-assisted Universities and their affiliated Colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College.	Not Accepted
84-6	Formula Fee Rates for 1985-86 to meet the Costs of Council's Basic Objectives.	Not Accepted
84-7	Funding for 1985-86 for the Bar Admission Course.	Not Accepted
84-8	Equipment and Library Funding for 1985-86.	Not Accepted
84-9	Level of Support for Major Repairs, Renovations and Replacement Projects in 1985-86.	Not Accepted
Advisory Memorandum 84-IV:		
84-10	Ontario Graduate Scholarship Stipends	Partially Accepted (see Minister's letter of June 4, 1985 which follows this table)
84-11	Institutional Awards to Universities without Doctoral Programs.	Accepted
84-12	Ontario Graduate Scholarships to Persons on Student Visas.	Accepted
84-13	Number of Ontario Graduate Scholarship Awards in 1985-86.	Accepted
Advisory Memorandum 84-V:		
84-14	Mechanism for existing Degree and Diploma Program Approval at Ryerson Polytechnical Institute.	Accepted
84-15	Mechanism for new Degree and Diploma Program approval at Ryerson Polytechnical Institute.	Accepted

Advisory Memorandum 84-VI:		
84-16	Funding for the New Degree Program in Fashion at Ryerson Polytechnical Institute.	Accepted
84-17	Funding for the new Degree Program in Aerospace Technology at Ryerson Polytechnical Institute.	Accepted
84-18	Funding for the new Degree Program in Applied Economics at Ryerson Polytechnical Institute.	Accepted
Advisory Memorandum VII:		
84-19	Funding for the Doctoral Program in Management Science Systems at McMaster University for 1986-87.	Accepted
84-20	Funding for the Doctoral Program in Administrative Studies at York University for 1986-87.	Accepted
84-21	Funding for the Master's Program in Art History at York University for 1986-87.	Accepted
84-22	Funding for the Master's Program in Business Administration at Laurentian University for 1986-87.	Accepted
84-23	Funding for the Master's Program in Social Work at York University for 1986-87.	Accepted
84-24	Funding for the Doctoral Program in Linguistics at the University of Ottawa for 1986-87.	Accepted
84-25	Funding for the Doctoral Program in Economics at York University	Accepted
84-26	Funding for the Master's Program in German at the University of Western Ontario, the Master's Program in Romance Languages at Wilfrid Laurier University and the Master's Program in French at the University of Windsor.	Accepted
Advisory Memorandum 84-VIII:		
84-27	Funding for the Bachelor's Program in Office Management Studies at Laurentian University (Nipissing University College) for 1986-87.	Accepted
84-28	Funding for the Honours Bachelor's Program in Criminology at the University of Ottawa for 1986-87.	Accepted
84-29	Funding for the Bachelor of Arts Program in Teaching English as a Second Language at Brock University for 1986-87.	Accepted
84-30	Funding for the Bachelor of Education Program in Teaching English as a Second Language at Brock University for 1986-87.	Accepted
84-31	Funding for the Bachelor's Program in Music Therapy at Wilfrid Laurier University for 1986-87.	Accepted

Response to Advisory Memorandum 84-IV



Office of the
Minister

Ministry
of
Education
Ministry of
Colleges and
Universities

Mowat Block
Queen's Park
Toronto, Ontario
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416/965-5277

June 4, 1985

Mrs. Marnie Paikin
Chairman
Ontario Council on University Affairs
LuCliff Place
700 Bay Street, 7th Floor
Toronto, Ontario
M5G 1Z6

Dear Mrs. Paikin

Thank you for your letter of October 25, 1984, enclosing the Council's Advisory Memorandum 84-IV on the Ontario Graduate Scholarship Program, 1985-86.

I am pleased to advise that Recommendation 84-10 concerning the value of the scholarship has been accepted. The stipend value of the scholarship has been increased from \$2,035 per term to \$2,435 per term. This will provide a graduate student with a maximum of \$7,305 for a full year of study.

With an increase in allocation to the Ontario Graduate Scholarship Program of approximately 5 percent, and the recommended increase in the stipend value, it will not be possible to increase the number of scholarships awarded. This number will, therefore, remain at 1,200 and, as proposed in Recommendation 84-13, it will include forty-five (45) institutional awards and sixty (60) visa student awards.

I am looking forward to receiving the findings of the Council's Special Review of the OGS program and any recommendations Council may make as a result of this review.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Larry Grossman", written over a horizontal line.

Larry Grossman
Minister

NOV 08 1989

